

CEO Report
June 28, 2023

Hello and good afternoon, it is a Great Day to be a part of the Lakeshore Regional Entity!

PIHP/REGIONAL Update

1. **LRE Updates**

- **Resignation of Board Chair**
Board Chair and long time Board Member, Mark DeYoung, (appointed from OnPoint) resigned on June 9, 2023. This is a significant loss for the LRE Board of Directors. We wish Mark well in life's adventures.

- **Juneteenth**
The LRE participated in Juneteenth for the second year in a row. Juneteenth is a federal holiday in the United States commemorating the emancipation of enslaved African Americans. It is celebrated on June 19th, the anniversary of the order issued by Major General Gordon Granger in 1865, proclaiming freedom for slaves in Texas, the most remote region of the Confederacy. Juneteenth is arguably as important to our nation as the Fourth of July, since it marks the end of slavery and the beginning of freedom for millions of people.

- **Staff Retention**
LRE staff have completed 2 parts to the staff retention bonus. The funds to pay the bonuses came from a grant written for the retention of staff. There is one more task that staff can complete to receive the 3rd installment. Staff are grateful to have received this which is helping offset some of the increase in health insurance premiums.

- **LRE CEO Evaluation Process**
Mr. Bill Riley is working with the LRE Executive Committee to update the CEO evaluation process to be more streamlined. A draft will be brought to the full Board for review when it is complete.
Update: The draft tool and goals have been sent to the Executive Committee for review. The Executive Committee will be holding a separate meeting with Mary to discuss the tools, goals, and a process. Following this meeting, the LRE BOD will receive all documents for review and approval.

- **Behavioral Health Conferences**

LRE had a total of 4 staff and myself that attended the CMHAM Summer conference. The conference had several great sessions and staff had very positive feedback regarding the knowledge they gained.

2. **Regional Updates**

- **Historical Deficit Update**

Honorable Judge Shapiro ruled on the Declaratory Action. The ruling states that the LRE is allowed to use its Internal Service Fund, MA Savings, or current year revenue to pay historical deficits. LRE leadership, CMH leadership and the LRE Board of Directors Executive Committee have established weekly meetings to evaluate scenarios of how funding can be disbursed to address the historical deficit.

Update: LRE legal received communication back from the State's Attorney General's Office stating that they do not feel that Attachment B in the Judge's ruling was part of the settlement previously completed with the LRE regarding the Sanctions being lifted, and the Risk Management Strategy that was approved in 2022. Therefore, they have no intent on paying the portion that the judgement states they are responsible for in the historical deficit. The LRE BOD will need to determine if it desires to pursue this avenue. LRE Legal will advise the LRE BOD during the June Board meeting of their options.

Following Motion 23-23, the cost settlement process was completed on May 31, 2023. Payments for 80% of the totals were issued to the CMHs on June 6th (4 business days following the LRE receiving the signed cost settlement letters). On June 4th, the LRE issued the addendum to the master contract with the language mirroring Motion 23-23 that was drafted by LRE legal to assure that all parties were understanding the conditions around the remaining 20%. At present time, LRE has not received any signed addendums from the CMHs, and escrow information has not been provided to the LRE to make the final payment. Network180 has provided their own addendum to the LRE that details their interpretation of Motion 23-23, however the language they have added does not align with Motion 23-23. LRE legal is working with Network180 legal regarding this matter.

HealthWest and Network180 continue to have pending litigation against the LRE as of present date.

- **Funding Revenue Streams/HAB Waiver Slot/Behavioral Health Homes/Opioid Health Homes**

- HAB Waiver – During weekly meetings with MDHHS there has been ongoing discussion about the allocation of HSW slots. Region 3 has historically been under the state average number of slots although we consistently utilize every slot and have a need for more. LRE has requested 269 additional waiver slots which will bring us up to the state average. Mr. Wieferich has agreed to review this request internally and stated that this is a good opportunity because the state is re-evaluating the waiver slots because their 372 report is being completed for CMS.
Update: LRE has received communication back from MDHHS that they have our request, and they are working through the process with CMS regarding the reallocation of HSW slots. There was no indication either way regarding receiving more slots or not.

- Behavioral Health Homes (BHH)/Opioid Health Homes (OHH) – LRE met with the state about BHH/OHH. The state had originally stated that LRE did not qualify based on how we are set up because they are supposed to be run at the PIHP. LRE met with Lindsey Naeyaert and explained that these are already being run through the CMHs and CCBHC. Lindsey stated that she is going to try to revise what was submitted to CMS or to get a waiver to move forward. This will add additional revenue to the region for the people that are already being served in the CCBHC.
Update: Recent communication with Lindsey is that they are discussing internally at MDHHS. As part of the process the LRE has agreed to review the handbooks for OHH and BHH and make notations for MDHHS to identify areas that are conflictual between the CCBHC and the OHH/BHH programs.

- FY 21 and FY 22 Finance Audits –
 - The FY21 and FY22 Compliance Exams are wrapping up while the Single Audit will begin this week as well. The goal is to have the FY21 and FY22 Compliance Audits (specific to the PIHP/CMHSP system related to contracts with the State) and the Single Audit (specifically required for federal funding) with reports concluded by the June 22 deadline.
Update: The current update is that RPC cannot complete FY 21 or FY 22 audits without MDHHS approving or rejecting the revised FSRs that were submitted in March 2022 for FY 18-20. The LRE has been in contact with MDHHS regarding this matter as well as having communicated this to the Office of Auditing and Review. LRE legal is aware of this. Regarding the \$200,000 penalty for late submission of the FY21 compliance audit, the ALJ entered an order that officially extends the deadline for the LRE legal to respond to the motion. The intent is to give the state a couple weeks to

try to wrap up the review of the revised FSRs in order to allow the LRE the ability to complete the FY 21 and FY 22 audits and submit to MDHHS. LRE received an extension for the FY 22 Compliance Examination submission until July 31, 2023, to assist in getting the FY 18-20 FSRs approved or denied.

- **Wakely Update**

LRE will be wrapping up the work with Wakely over the next few months. The contract has been extended to 9/30/2023 to continue working on a regional rate analysis and the ISF analysis. Wakely will present the information to the Board when it is complete.

Update: Update will be provided at LRE Board meeting. (Meeting with Wakely is scheduled to occur after the CEO report has been distributed.)

- **Medicaid Enrollment and the Public Health Emergency Unwind**

The LRE has been conducting analysis on the decline in MC enrollment. It is important to state that this information is an educated guess with some areas that we do not have answers on. The BOD will continue to get updates monthly as we know more. The areas that impact our ability to project include: unclear what percentage of the general Medicaid population will be disenrolled, what type of a rate adjustment will there be if any to offset the decrease in enrollments, change in Direct Care Wage process, and the reduction in the 2024 Region 3 rates (2 year rate cycle and 2024 will be year two of the overall 5%, which is 2.5% each year).

Update: No update at present time.

STATE OF MICHIGAN/STATEWIDE ACTIVITIES

3. Conflict Free Access and Planning (CFA&P)

CFA&P is a federal requirement that is designed to protect beneficiary choice in the behavioral health service delivery. MDHHS convened a workgroup that began working on this beginning in January 2022. The workgroup is led by TBD solutions in partnership with MDHHS. The announcement, on March 2023, to the MDHHS Conflict-Free Access and Planning Workgroup, of the CFA&P options proposed by MDHHS to ensure compliance with the Federal CFA&P requirements, were met with deep concern by the representatives of the state's Community Mental Health Services Programs (CMHSPs) and Medicaid Prepaid Inpatient Health Plans (PIHPs) – concerns that they expressed during this March meeting of the workgroup.

Many of the CMHSP and PIHP staff on that workgroup indicated, during the meeting and since, that these models do not align with much of the workgroup's past discussions nor

draw from the concepts and workable options proposed by the CMHSP and PIHP members of the workgroup. These workgroup members indicated that, throughout the life of the workgroup and again during this March 2023 discussion of these options, their views have not been heard and that the options that they have proposed to ensure Conflict-Free Access and Planning while building upon and strengthening Michigan's public mental health system were not seriously considered.

These members were surprised at the design options presented to MDHHS and expressed deep concerns regarding these options – seeing all of these options as violating the core roles, integrity, and definition of Michigan's Community Mental Health System, as captured in statutes, regulation, and contract.

Additionally, the views of those persons served who participated in the CFA&P listening sessions, especially those around continuity of care, do not appear to be reflected in the options proposed by MDHHS.

The LRE completed an analysis of the four proposed models in comparison to the philosophical principles of the CCBHC. Generally, the implementation of any of the presented CFAP Options threatens to:

1. Undermine CCBHCs ability to comply with MDHHS-defined certification criteria requirements to provide nine comprehensive services.
2. Minimize or undo advances in expansion of the social safety net inherent in the CCBHC model's financial incentive to serve anyone regardless of residency.
3. Restrict PIHP functionality and effectiveness to monitor, manage, and develop CCBHC Demonstration
4. Fragment care coordination responsibilities and disincentivize development of comprehensive infrastructure to share health information across treatment providers.
5. Diffuse responsibility for performance based on quality bonus payment measures identified by CMS/MDHHS.
6. Contradict the requirements for CCBHCs to establish formal arrangements with a Designated Collaborating Organization (DCO) to provide CCBHC services on the CCBHCs behalf.

ASK of the LRE BOD: Other PIHPs have passed Board Resolutions Opposing Current CFA&P Models. I am recommending that the LRE BOD pass the resolution included in the Board packet opposing current conflict free access and planning models.

4. **MDHHS Jeff Wieferich Role Change**

Effective June 11, Mr. Wieferich, previous Director of Bureau of Specialty Behavioral Health Services within MDHHS moved to his new position as Senior Executive of the State Psychiatric Hospitals/Centers. Mr. Wieferich position has not been filled at present time.

Meghan Groen, Senior Deputy Director for the Behavioral and Physical Health and Aging Services Administration (BPHASA) for Michigan Department of Health and Human Services. In her role, she oversees Michigan's Medicaid program, services for those with developmental disabilities, and long-term care and aging programs.

Ms. Groen has 20 years of experience in government, policy and nonprofit administration and previously served as senior advisor to MDHHS Director Elizabeth Hertel. She also previously served as deputy policy director and health policy advisor for Gov. Gretchen Whitmer, where she helped oversee creation of the Healthy Moms Healthy Babies initiative to address health disparities among women and infants.

I have scheduled meetings with Ms. Groen to continue the work that I was doing with Mr. Wieferich until his replacement is hired.

OTHER

5. **Board Works Videos Available Online:**

The CMHA BoardWorks program was developed to assist Board members in fulfilling their obligations as CMH leaders, directors of policy, and advocates for those they serve. Traditionally, these modules have been offered at conferences and through DVDs. CMHA now offers updated modules available for viewing on our website. The following BoardWorks modules are currently available with more to come! Click [here](#) to view.

- Foundations – Intended Beneficiary Command
- Foundations – Public Policy
- Management – Systems
- Current and Future Funding for CMHSPs and PIHPs (formerly Budgets)
- Leadership – Participatory Governance and Ethical Implications (formerly Character)

6. **WALK-A-MILE**

September 13, 2023, more details to come as published.