

Meeting Agenda  
**BOARD OF DIRECTORS**  
Lakeshore Regional Entity  
April 24, 2024 – 1:00 PM  
GVSU Muskegon Innovation Hub  
200 Viridian Dr, Muskegon, MI 49440

1. Welcome and Introductions – Mr. Stek
2. Roll Call/Conflict of Interest Question – Mr. Stek
3. Public Comment (Limited to agenda items only)
4. Consent Items:  
***Suggested Motion:*** To approve by consent the following items.
  - April 24, 2024, Board of Directors meeting agenda (*Attachment 1*)
  - March 27, 2024, Board of Directors meeting minutes (*Attachment 2*)
5. Reports –
  - a. LRE Leadership – Stephanie VanDerKooi
    1. [FY 21-FY23 SUD Prevention Evaluation Report](#)
    2. [FY 21-FY23 SUD Treatment Evaluation Report](#)
6. Chairperson’s Report – Mr. Stek
7. Action Items –
  - i. March 27, 2024, Closed Session Meeting Minutes  
***Suggested Motion:*** To approve the March 27, 2024, closed session meeting minutes.
  - ii. PIHP/CMHSP FY21 Contract Extension  
***Suggested Motion:*** To approve amending **Motion LRE 24-08** “*LRE CEO to fully execute a contract extension to the LRE/CMHSP FY20/21 Contract through September 30, 2024*” to read:  
  
To approve LRE CEO to fully execute a contract amendment to the LRE/CMHSP FY20/21 contract with terms and conditions set forth in the original agreement to remain in full force and effect, except as specifically defined below:
    1. Section VI, Term. The expiration date of this Agreement is hereby extended to September 30th, 2024.
    2. Exhibit C, Member Reporting Responsibilities, is hereby deleted and replaced in its entirety with Exhibit C, Member Reporting Responsibilities, attached hereto.

3. Exhibit D, Subrecipient Awards, is hereby deleted and replaced in its entirety with Exhibit D Revenue Distribution, attached hereto.

iii. LRE Compliance Plan

***Suggested Motion:*** To approve the LRE 2024 Corporate Compliance Plan.

8. Financial Report and Funding Distribution – Ms. Chick (*Attachment 3*)

a. FY2024, March Funds Distribution (*Attachment 4*)

***Suggested Motion:*** To approve the FY2024, March Funds Distribution as presented.

b. Statement of Activities as of 2/29/2024 with Variance Reports (*Attachment 5*)

c. Monthly FSR (*Attachment 6*) –

9. CEO Report – Ms. Marlatt-Dumas

10. Board Member Comments

11. Public Comment

12. Upcoming LRE Meetings

- May 15, 2024 – Executive Committee, 1:00PM
- May 22, 2024 – LRE Executive Board Meeting, 1:00 PM

Meeting Minutes  
**BOARD OF DIRECTORS**

Lakeshore Regional Entity  
March 27, 2024 – 1:00 PM

GVSU Muskegon Innovation Hub, 200 Viridian Dr, Muskegon, MI 49440

WELCOME AND INTRODUCTIONS – Mr. Stek

Mr. Stek called the March 27, 2024, LRE Board meeting to order at 1:00 PM.

ROLL CALL/CONFLICT OF INTEREST QUESTION – Mr. Stek

**In Attendance:** Ron Bacon, Jon Campbell, Linda Dunmore, Janice Hilleary, Sara Hogan, Richard Kanten, Alice Kelsey, Stan Stek, Jim Storey, Janet Thomas, Craig Van Beek

**Absent:** Patricia Gardner, Ron Sanders, Andrew Sebolt

PUBLIC COMMENT

None.

CONSENT ITEMS:

**LRE 24-06 Motion:** To approve by consent the following items.

- March 27, 2024, Board of Directors meeting agenda
- January 24, 2024, Board of Directors meeting minutes

Moved: Ron Bacon                      Support: Linda Dunmore

MOTION CARRIED

COMMUNITY ADVISORY PANEL

March 14, 2024, Meeting minutes are included in packet for information.

LEADERSHIP BOARD REPORTS

Leadership report is included in the packet for information.

- Ms. Myers reviews her report that focuses on cyber threats and security. LRE has ongoing staff training to help mitigate threats.
- Q: Do we have insurance?
  - Yes, we do have corporate insurance that covers this.

CHAIRPERSON'S REPORT

March 20, 2024, Executive Committee (EC) Meeting Minutes are included in packet for information.

LRE Board Chair Term and Recommendation: The Executive Committee is recommending Mr. Stek be reappointed as the LRE Board Chair until the next election of Board Officers.

**LRE 24-07 Motion:** To approve reappointing Mr. Stek to complete the full term of LRE Board Chair.

Moved: Ron Bacon                      Support: Janet Thomas

ROLL CALL

MOTION CARRIED

#### ACTION ITEMS

**LRE 24-08 Motion:** To approve LRE CEO to fully execute a contract extension to the LRE/CMHSP FY20/21 Contract through September 30, 2024.

Moved: Ron Bacon                      Support: Janet Thomas

MOTION CARRIED

**LRE 24-09 Motion:** To approve extending the 2023 Corporate Compliance Plan for 1 month, through April 30, 2024.

Moved: Ron Bacon                      Support: Jon Campbell

MOTION CARRIED

#### FINANCIAL REPORT AND FUNDING DISTRIBUTION

MDHHS facilitated a rate setting meeting discussing a rate increase that includes DCW, an enrollment amendment due to the PHE unwind and a trend amendment. The LRE is estimating \$11.8 million of additional funds. This is only an estimate as we do not have the final numbers. The LRE will communicate to the state that the increase will not close the projected deficit gap. Ms. Chick has also reached out to other PIHPs to inquire if there are similar issues.

Network180 has reported that they will have cash flow issues by June and asked LRE if they could expedite the cost settlement process to help mitigate the cash flow issues. The FY23 CMH spending plans projected a surplus. The final FSRs are showing CMHs overspent by \$6.3 million. Ms. Marlatt-Dumas comments that historically this region has had large negative swings. She would like the Board to work closely with their CMH CEOs to ensure they are spending within their PMPM. The ISF will be drained of funds within 2 years if LRE continues to use the funds to cover deficits. Currently, there is \$30 million in ISF and \$16 million in the Medicaid Savings equaling \$46 million altogether. Wakely recommend that our region have \$54 million to be secure. Ms. Marlatt-Dumas reminds the Board members that LRE is not a revenue-making organization and while we will continue to advocate with legislators the CMHs must have a plan in place.

## **FY2024 January and February Funds Distribution**

**LRE 24-10 Motion:** To approve the FY2024, January and February Funds Distribution as presented.

Moved: Jon Campbell

Support: Janet Thomas

MOTION CARRIED

**LRE 24-11 Motion:** To approve LRE FY2024 Budget Amendment #2 as presented.

Moved: Ron Bacon

Support: Jon Campbell

MOTION CARRIED

## **Statement of Activities as of 1/31/2024 with Variance Report-**

Included in the Board packet for information.

- Medicaid revenues are above projections because we are using less CCBHC revenues.
- Contributing factors to revenues being under are because LRE has not received the PBIP, CCBHC performance bonus or HRA.

## **Monthly FSR-**

Included in the Board packet for information.

- Q: How does enrolment affect only 2 of the CMHs?
  - It affects all the CMHs but some of have built the decline into their projections and built in a cushion.
- **Note:** Any deficit incurred by the CCBHC is the responsibility of the CCBHC organization. The LRE is not the risk bearing entity in this situation.
- Q: Which 2 CMHs have been with CCBHC?
  - West Michigan and HealthWest. The newest CCBHCs are N180, Ottawa and OnPoint.
- Q: If there is no cushion for the CCBHCs, how will they handle a deficit?
  - They have plans in place in case of a deficit. The funds from the previous year (carryover funds) can be used and local funding. However, the CCBHCs may not use Medicaid funding.
- Q: If a CCBHC has a deficit they can use local funding to cover the deficit? What are those funds?
  - The CCBHCs can use PBIP which becomes local funding, fund balance reserves, county or grant funding, and millage funds.
- Q: Can PA2 funds be used?
  - This would be dependent on the person served and if they qualify and are eligible under PA2.

## CEO REPORT

Included in the Board packet for information. Ms. Marlatt-Dumas reports:

- LRE submitted 17 HAB waiver packets. The packets chosen are based on the highest need individuals. Over the next 2 months LRE will fill the additional slots and any others as they become open.
- N180 presented a plan to the state regarding the Autism waiting list. MDHHS did not approve the plan and will communicate after further internal discussions.
- PIHP/CMH contract is being worked on with CMHs. LRE has extended the CMH contract through the end of the fiscal year.
- A meeting was scheduled where N180 presented a recovery plan. The conversation is ongoing as more detail is needed regarding the funding request.
- The Legislative Report is attached to the end of the CEO report.
- Ms. Dumas suggests that a link be sent to one of the BoardWorks videos each month and can be discussed during the following month Board meeting.
- CMHAM has Board Works videos that can assist in understanding the role of Board members. <https://cmham.org/education-events/boardworks/>

## LRE CEO EVALUATION

**LRE 24-12 Motion:** To approve moving into closed session to discuss the LRE CEO evaluation as requested by the LRE CEO.

Moved: Ron Bacon    Support: Craig VanBeek

ROLL CALL VOTE – UNANIMOUS

MOTION CARRIED

**LRE 24-13 Motion:** To approve moving out of closed session from discussing the LRE CEO evaluation as requested by the LRE CEO.

Moved: Janet Thomas    Support: Linda Dunmore

ROLL CALL VOTE – UNANIMOUS

MOTION CARRIED

**LRE 24-14 Motion:** To approve the January 21, 2024, closed session meeting minutes.

Moved: Jim Storey    Support: Ron Bacon

MOTION CARRIED

**LRE 24-15 Motion:** To approve the retention of Bob VandePol to serve as a coach consultant pursuant to a contract to be worked out with Mr. VandePol.

Moved: Janet Thomas    Support: Ron Bacon

MOTION CARRIED

BOARD MEMBER COMMENTS

NA

PUBLIC COMMENT

NA

UPCOMING LRE MEETINGS

- April 17, 2024 – Executive Committee, 1:00PM
- April 24, 2024 – LRE Executive Board Meeting, 1:00 PM  
[GVSU, Muskegon Innovation Hub, 200 Viridian Dr, Muskegon, MI 49440](#)

OTHER:

ADJOURN

Mr. Stek adjourned the March 27, 2024, LRE Board of Directors meeting at 3:25 PM.

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Ron Bacon, Board Secretary

Minutes respectfully submitted by:  
Marion Dyga, Executive Assistant



**BOARD ACTION REQUEST**

**Subject: March 2024 Disbursements**

Meeting Date: April 24, 2024

**RECOMMENDED MOTION:**

To approve the March 2024 disbursements of \$45,036,020 as presented.

**SUMMARY OF REQUEST/INFORMATION:**

<b><u>Disbursements:</u></b>	
Allegan County CMH	\$3,281,537.34
Healthwest	\$7,569,635.99
Network 180	\$24,507,434.96
Ottawa County CMH	\$5,810,104.98
West Michigan CMH	\$2,769,452.00
SUD Prevention Expenses	\$393,439.36
SUD Public Act 2 (PA2)	\$209,291.46
Administrative Expenses	\$495,123.91
<b>Total:</b>	<b>\$45,036,020.00</b>

98.44% of Disbursements were paid to Members and SUD Prevention Services.

*I affirm that all payments identified in the monthly summary above are for previously appropriated amounts.*

**STAFF:** *Stacia Chick*

**DATE:** *4/17/2024*





**Statement of Activities - Actual vs. Budget**  
**Fiscal Year 2023/2024**

As of Date: 2/29/24

Change in Net Assets	Year Ending	2/29/2024		
	9/30/2024	Budget to Date	Actual	Actual to Budget Variance
	FY24 Budget <u>Amendment 2</u>			
<b>Operating Revenues</b>				
Medicaid, HSW, SED, & Children's Waiver	277,612,682	115,671,951	118,339,255	2,667,304
Autism Revenue	42,278,498	17,616,041	19,341,404	1,725,363
DHS Incentive	471,247	196,353	-	(196,353)
Healthy Michigan	29,016,501	12,090,209	15,258,532	3,168,323
Performance Bonus Incentive	2,819,234	1,174,681	-	(1,174,681)
CCBHC Quality Bonus Incentive	1,745,775	727,406	-	(727,406)
Hospital Rate Adjuster (HRA)	12,576,256	5,240,107	-	(5,240,107)
Member Local Contribution to State Medicaid	1,007,548	419,812	419,812	(0)
Medicaid CCBHC Base Capitation	23,389,790	9,745,746	8,213,208	(1,532,538)
Healthy Michigan CCBHC Base Capitation	6,046,769	2,519,487	2,159,158	(360,329)
Medicaid CCBHC Supplemental Revenue	34,550,918	14,396,216	6,639,733	(7,756,482)
Healthy MI CCBHC Supplemental Revenue	9,822,186	4,092,577	3,701,418	(391,160)
MDHHS Grants	13,907,354	5,794,731	2,148,988	(3,645,743)
PA 2 Liquor Tax	3,748,366	1,561,819	408,343	(1,153,476)
Non-MDHHS Grants: DFC	141,701	59,042	58,261	(781)
Interest Earnings	640,059	266,691	143,833	(122,858)
Miscellaneous Revenue	5,500	2,292	730	(1,561)
<b>Total Operating Revenues</b>	<b>459,780,382</b>	<b>191,575,159</b>	<b>176,832,673</b>	<b>(14,742,486)</b>
<b>Expenditures</b>				
Salaries and Fringes	5,012,275	2,088,448	1,722,930	(365,519)
Office and Supplies Expense	273,326	113,886	66,970	(46,916)
Contractual and Consulting Expenses	809,861	337,442	196,464	(140,978)
Managed Care Information System (PCE)	305,200	127,167	123,000	(4,167)
Legal Expense	217,500	90,625	24,498	(66,127)
Utilities/Conferences/Mileage/Misc Exps	7,304,395	3,043,498	119,993	(2,923,505)
Grants - MDHHS & Non-MDHHS	545,800	227,417	110,396	(117,020)
Hospital Rate Adjuster / Taxes	16,783,457	6,993,107	1,228,606	(5,764,501)
Prevention Expenses - Grant & PA2	3,807,966	1,586,653	1,295,545	(291,108)
Member Payments - Medicaid/HMP	338,564,315	141,068,465	145,262,708	4,194,244
Member Payments - CCBHC Capitation	29,436,558	12,265,233	10,372,367	(1,892,866)
Member Payments - CCBHC Supplemental	44,373,103	18,488,793	12,733,572	(5,755,221)
Member Payments - PA2 Treatment	1,956,008	815,003	281,711	(533,292)
Member Payments - Grants	9,383,070	3,909,613	2,746,546	(1,163,067)
Local Contribution to State Medicaid	1,007,548	419,812	419,812	(0)
<b>Total Expenditures</b>	<b>459,780,382</b>	<b>191,575,159</b>	<b>176,705,116</b>	<b>(14,870,043)</b>
<b>Total Change in Net Assets</b>	<b>(0)</b>	<b>(0)</b>	<b>127,557</b>	<b>127,557</b>



**Statement of Activities  
Budget to Actual Variance Report**

**For the Period ending February 29, 2024**

**As of Date: 2/29/24**

**Operating Revenues**

Medicaid/HSW/SED/CWP	Less capitated Medicaid funding being utilized for CCBHC Medicaid than expected. Revenue expected to decline throughout FY24 due to declining Medicaid enrollments. Will be monitored for budget adjustments.
Autism Revenue	Revenue expected to decline throughout FY24 due to declining Medicaid enrollments. Will be monitored for budget adjustments.
DHS Incentive	This revenue is received quarterly beginning in April.
Healthy Michigan	Less capitated Healthy Michigan funding being utilized for CCBHC Healthy MI than expected. Revenue expected to decline throughout FY24 due to declining Medicaid enrollments. Will be monitored for budget adjustments.
Performance Bonus Incentive	Revenue is received after the end of the fiscal year if health plan performance metrics are met.
CCBHC Quality Bonus	Revenue is received after the end of the fiscal year if health plan performance metrics are met.
Hospital Rate Adjuster	Revenue is received quarterly. First quarter payment was delayed until April by MDHHS.
Member Local Match Revenue	N/A - Closely aligned with the current budget projections.
Medicaid CCBHC Base Capitation	Lower than expected CCBHC daily visits. Working with CCBHCs to revise their daily visit projections and revise revenue projections if necessary.
Healthy MI CCBHC Base Capitation	Lower than expected CCBHC daily visits. Working with CCBHCs to revise their daily visit projections and revise revenue projections if necessary.
Medicaid CCBHC Supplemental Revenue	Lower than expected CCBHC daily visits. Working with CCBHCs to revise their daily visit projections and revise revenue projections if necessary.
Healthy MI CCBHC Supplemental Revenue	Lower than expected CCBHC daily visits. Working with CCBHCs to revise their daily visit projections and revise revenue projections if necessary.
MDHHS Grants	MDHHS grant reimbursements are typically 45 days in arrears and SUD grant payments are received quarterly.
PA 2 Liquor Tax	PA2 revenues are received quarterly, after the Department of Treasury issues payments to the counties. Initial payments are expected in the 2nd quarter.
Non-MDHHS Grants: DFC	Grant funds are requested when provider expenditures are reported. All funds are projected to be spent this fiscal year.
Interest Revenue	Will be monitored for adjustments during the next amendment
Miscellaneous Revenue	Revenue may be received throughout the year, but the budgeted amount is not guaranteed.

**Expenditures**

Salaries and Fringes	Currently under budget. Position vacancies exist and will be monitored for possible future budget amend.
Office and Supplies	Currently under budget. Will monitor for possible future budget amend.
Contractual/Consulting	Currently under budget. Will monitor for possible future budget amend.
Managed Care Info Sys	N/A - Closely aligned with the current budget projections.
Legal Expense	Currently under budget. Will monitor for possible future budget amend.
Utilities/Conf/Mileage/Misc	This line item includes the LRE's contingency fund and will be monitored for adjustments during the next amendment.
Grants - MDHHS & Non-MDHHS	Most of these payments are billed to the LRE and paid by MDHHS 45 days in arrears. In addition, as noted above, some grants are being paid quarterly.
HRA/Taxes	IPA & HRA taxes are paid quarterly. First quarter HRA payment was delayed until April.
Prevention Exps - Grant/PA2	MDHHS SUD grant payments are made quarterly. Some dollars remain unallocated, pending provider requests.
Member Med/HMP Payments	Revenue expected to decline throughout FY24 due to declining Medicaid enrollments, resulting in lower payment to Members. Will be monitored for budget adjustments.
Member CCBHC Capitation	Lower than expected CCBHC daily visits. Working with CCBHCs to revise their daily visit projections and revise revenue projections if necessary.
Member CCBHC Supplemental	Lower than expected CCBHC daily visits. Working with CCBHCs to revise their daily visit projections and revise revenue projections if necessary.
Member PA2 Tx Payments	Billings against this line item typically occur after other grant funding is applied. Budgets were based on projections and will be monitored for amendments.
Member Grant Payments	Most of these payments are billed to the LRE and paid by MDHHS 45 days in arrears. In addition, as noted above, some grants are being paid quarterly.
Local Contribution to State Medicaid	N/A - Closely aligned with the current budget projections.