

Meeting Agenda  
**BOARD OF DIRECTORS**  
Lakeshore Regional Entity  
August 27, 2025 – 1:00 PM  
GVSU Muskegon Innovation Hub  
200 Viridian Dr, Muskegon, MI 49440

1. Welcome and Introductions – Ms. Gardner
2. Roll Call/Conflict of Interest Question – Ms. Gardner
3. Public Comment (Limited to agenda items only)
4. Consent Items:

***Suggested Motion:*** To approve by consent the following items.

- August 27, 2025, Board of Directors meeting agenda (*Attachment 1*)
- July 23, 2025, Board of Directors meeting minutes (*Attachment 2*)

5. Reports –

- a. LRE Leadership – (*Attachment 3*)

**Please click the link below and complete the Board member Strategic Plan Survey.**

- i. [Strategic Planning Survey](#)

6. Chairperson's Report – Ms. Gardner (*Attachments 4*)

- a. August 20, 2025, Executive Committee
  - i. Governance Committee Appointment

Action Items –

- a. Board Governance Committee

***Suggested Motion:*** To approve appointment of the following Board Directors to the Governance Committee for the purpose of developing a recommendation to be presented at the full Board meeting on September 24, 2025, regarding the 2026 slate of officers.

- b. LRE Compliance Committee Appointee (*Attachment 5*)

***Suggested Motion:*** To approve appointment of the following Board member to serve as a member of the LRE Compliance Committee.

- c. Treasury Department

***Suggested Motion:*** To authorize LRE CEO to engage legal for the purpose of pursuing litigation regarding the FY24 Insurance Provider Assessment (IPA) Tax Bill.

7. Financial Report and Funding Distribution – Ms. Chick (*Attachment 6*)

- a. FY2025, July Funds Distribution (*Attachment 7*)

***Suggested Motion:*** To approve the FY2025, July Funds Distribution as presented.

- b. Statement of Activities as of 6/30/2025 with Variance Reports (*Attachment 8*)
- c. Monthly FSR (*Attachment 9*)

8. Board Member Comments

9. Public Comment

10. Upcoming LRE Meetings

- September 11, 2025 – Community Advisory Panel, 1:00 PM
- September 17, 2025 – Executive Committee, 1:00PM
- September 24, 2025 – LRE Executive Board Work Session, 11:00 AM  
GVSU, Muskegon Innovation Hub, 200 Viridian Dr, Muskegon, MI 49440
- September 24, 2025 – LRE Executive Board Meeting, 1:00 PM  
GVSU, Muskegon Innovation Hub, 200 Viridian Dr, Muskegon, MI 49440

Meeting Minutes  
**BOARD OF DIRECTORS**

Lakeshore Regional Entity

July 23, 2025 – 1:00 PM

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

WELCOME AND INTRODUCTIONS – Ms. Gardner

Ms. Gardner called the July 23, 2025, LRE Board meeting to order at 1:00 PM.

ROLL CALL/CONFLICT OF INTEREST QUESTION – Ms. Gardner

**In Attendance:** Ron Bacon, Jon Campbell, Patricia Gardner, O’Nealya Gronstal, Janice Hilleary, Richard Kanten, Alice Kelsey, Dave Parnin, Andrew Sebolt, Janet Thomas, Craig Van Beek

**Absent:** Linda Dunmore, Sara Hogan, Stan Stek, Jim Storey

PUBLIC COMMENT

NA

CONSENT ITEMS:

**LRE 25-19 Motion:** To approve by consent the following items.

- July 23, 2025, Board of Directors meeting agenda
- June 25, 2025, Board of Directors meeting minutes

Moved: Ron Bacon

Support: Andrew Sebolt

MOTION CARRIED

LEADERSHIP BOARD REPORTS

a. CEO Report – Ms. Marlatt-Dumas

The CEO report is included in the Board packet for information.

- There has been discussion regarding a public/private partnership with Rehman that could take minimally \$20 million and up to 1-2% if additional measures are met. The concern is that those are funds that will not go to services of individuals.
- The rescheduled OPB meeting is July 30 at 4:00 PM.
- LRE has received the IPA tax bill for FY24 with a discrepancy of about \$1 million. The state used FY23 enrollment data instead of FY24 data. LRE is waiting to hear regarding MDHHS providing a solution.
- Infographics for Synar is included at the end of the report.
- FY22 Cost Settlement – LRE has until August 13 to file a response.

- LRE will facilitate a Regional AI Committee to determine policy and procedure for the use of AI.
- b. LRE Leadership Report – Ione Myers  
PowerPoint is included in the Board packet for information.

#### CHAIRPERSON’S REPORT

July 16, 2025, Executive Committee meeting minutes are included in the packet for information.

- Discussion regarding the PIHP Procurement timeline and how that affects the system change.
- Discussion of the LRE staff retention package and recommendation to Board members’ endorsement. The retention is within the FY25 LRE budget and shows the support of the Board to the LRE staff.
- Discussion regarding the resolution to indicate that a public mental health organization should remain. The motion does not suggest that change is unwelcome, but rather that any change should preserve the public system.
  - Is there a downside to LRE adopting the resolution?
    - Other PIHPs have approved similar resolutions. This was presented at the July Board meeting to ensure the resolution was in place before the RFP was released.
  - What is the normal amount of time for the deadline?
    - Generally, 3-6 months.
- The Executive Committee recommends approval of policies/procedures:
  - 10.2 Committees Structure Policy
  - 10.17a Compensation and Benefits Procedure
  - 10.22 Board of Directors Orientation Policy
  - 10.22a Board of Directors Orientation Procedure

#### ACTION ITEMS

**LRE 25-20 Motion:** The LRE Executive Board endorses a retention package for LRE staff for FY25 that is within the already approved FY25 budget.

Moved: Dave Parnin                      Support: O’Nealya Gronstal

Discussion: Board members expressed support for the proposal, emphasizing the importance of retaining and appreciating high-quality staff. They acknowledged that while this may be a one-time package, it is a meaningful gesture. It was noted that continued support isn’t guaranteed, but if it’s within budget, investing in staff is essential given future uncertainties.

MOTION CARRIED

**LRE 25-21 Motion:** To approve the attached resolution opposing the competitive procurement of the PIHP system.

Discussion: Board agrees that this may need to be revisited after the RFP is released.

Moved: Janet Thomas                      Support: Richard Kanten

MOTION CARRIED

**LRE 25-22 Motion:** To approve the LRE Board Governance Policy/Procedure:

- i. 10.2 Committees Structure Policy
- ii. 10.17a Compensation and Benefits Procedure
- iii. 10.22 Board of Directors Orientation Policy
- iv. 10.22a Board of Directors Orientation Procedure

Moved: Craig VanBeek                      Support: O’Nealya Gronstal

MOTION CARRIED

#### FINANCIAL REPORT AND FUNDING DISTRIBUTION

CFO Report is included in the Board packet for information.

#### **FY2025 June Funds Distribution**

**LRE 25-23 Motion:** To approve the FY2025, June Funds Distribution as presented.

Moved: Jon Campbell                      Support: Ron Bacon

MOTION CARRIED

#### **Statement of Activities as of 5/31/2025 with Variance Report-**

Included in the Board packet for information.

- Expenditure is currently under budget.

#### **Monthly FSR-**

The FSR is included in the Board packet for information.

- FSR is through the month of May using June projections of revenue for the full year.

#### BOARD MEMBER COMMENTS

- Mr. Campbell asks about the Request for Proposal.
  - Ms. Marlatt-Dumas comments that there has been very little information given. Currently, organizations will continue to advocate to keep the system public.

## PUBLIC COMMENT

NA

## UPCOMING LRE MEETINGS

- August 20, 2025 – Executive Committee, 1:00PM
- August 27, 2025 – LRE Executive Board Work Session, 11:00 AM  
GVSU, Muskegon Innovation Hub, 200 Viridian Dr, Muskegon, MI 49440
- August 27, 2025 – LRE Executive Board Meeting, 1:00 PM  
GVSU, Muskegon Innovation Hub, 200 Viridian Dr, Muskegon, MI 49440

## ADJOURN

Ms. Gardner adjourned the July 23, 2025, LRE Board of Directors meeting at 2:11 PM.

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Ron Bacon, Board Secretary

Minutes respectfully submitted by:  
Marion Moran, Executive Assistant



**LAKESHORE**  
REGIONAL ENTITY

**August 2025** Board of  
Directors Presentation

**Stephanie VanDerKooi**  
Chief Operating Officer



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# Oversight Policy Board

The next meeting is September 17th and will cover the FY26 budgets as well as PA2 reserves.

During the most recent meeting two new members were welcomed to the group:

- **Jordan Jorritsma**-Ottawa County
- **Jessica Cook**-Muskegon County
- [Website](#)

**Next Meeting:** Wednesday, September 17 at 4pm

**Location:** Ottawa County CMH Board Room





## Regional AI Committee:

**Purpose:** To establish guiding principles for the ethical, effective, and equitable use of Artificial Intelligence (AI) technologies within the Lakeshore Regional Entity, supporting behavioral health services for Medicaid beneficiaries.

**Meetings:** The Regional AI Committee will meet bi-weekly through the end of September. The cadence will be re-evaluated at the beginning of October. Members of the committee are assigned by the CMHSP CEOs.

**Meeting Facilitators: Stephanie VanDerKooi & Ione Myers**



# Report Submission Tracking Overview

## August 2025 Update

The LRE has submitted 252 reports in 2025, with a **99%** compliance rate for timeliness of submission.

2025 Report Submission Progress Tracking				
Report Month	Past Due	Submitted Late	Submitted Timely	Total
January	0	0	54	54
February	0	0	36	36
March	0	0	22	22
April	0	0	50	50
May	0	0	23	23
June	2	0	13	15
July	0	0	42	42
August	0	1	11	36
September	0	0	0	23
October	0	0	0	54
November	0	0	0	42
December	0	0	0	22
TBD				22
<b>Total</b>	<b>2</b>	<b>1</b>	<b>251</b>	<b>441</b>





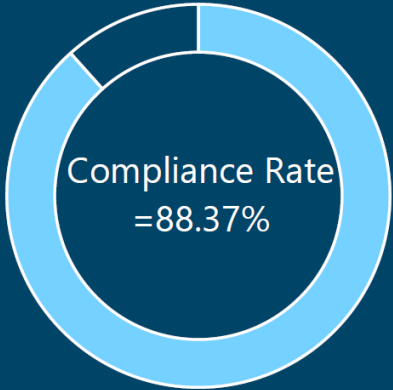
## UPIC Audit Update:

The LRE was one of five PIHPs selected for a special audit with a company designated by CMS, Covent Bridge. The other PIHPs were Regions 1, 2, 6, and 7. The audit took a significant amount of staff time to determine what information/data the auditors were requesting. Overall, the audit process will take about 15 months, and its topic is on Compliance.

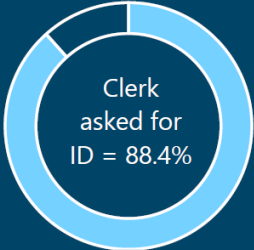
The LRE had to re-submit data to Covent Bridge on June 27. They again asked for further clarification that we had to submit on August 8. Other than that, no updates on this process.

# SUD Prevention Update

## 2025 Tobacco Sales Compliance Check Results

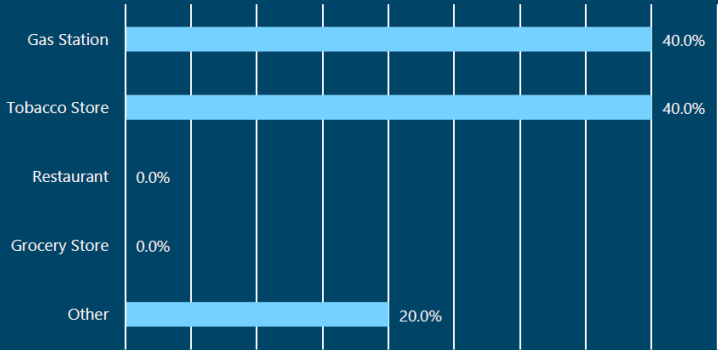


LRE sample selected by MDHHS = 46,  
Inspected = 43 (3 ineligible for inspection)

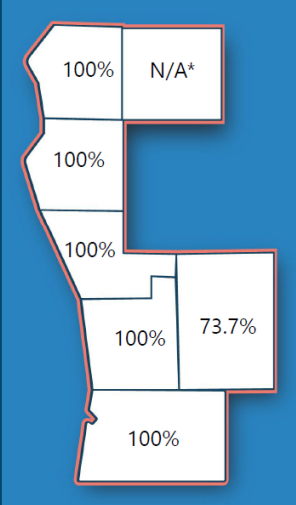


Compliance rate = the percentage of retailers that did not sell a tobacco product to a decoy under the age of 21.

Violation Rate by Vendor Type



Compliance Rates by County



\* No compliance checks assigned



# SUD Update cont...

We're proud to recognize **Leigh Moerdyke**, Director of Prevention & Advocacy Services, as the **MCBAP Certified Prevention Specialist of the Year!** For 18 years, Leigh has led the Ottawa Substance Abuse Prevention Coalition, helping drive real progress in youth substance use prevention—including raising the average age of first use and reducing access to alcohol. Her leadership and dedication continue to make a lasting impact across West Michigan!



# Health Services Advisory Group (HSAG)

- Expect to have the draft report in early September.
- Final report will be shared in early October
- Change-MDHHS is going to review the Corrective Action Plans (CAPS) vs HSAG. This is a tremendous change and LRE and other PIHPS are seeking to get clarification from the department on what this means.
- Updates will be shared with the board as they become available.





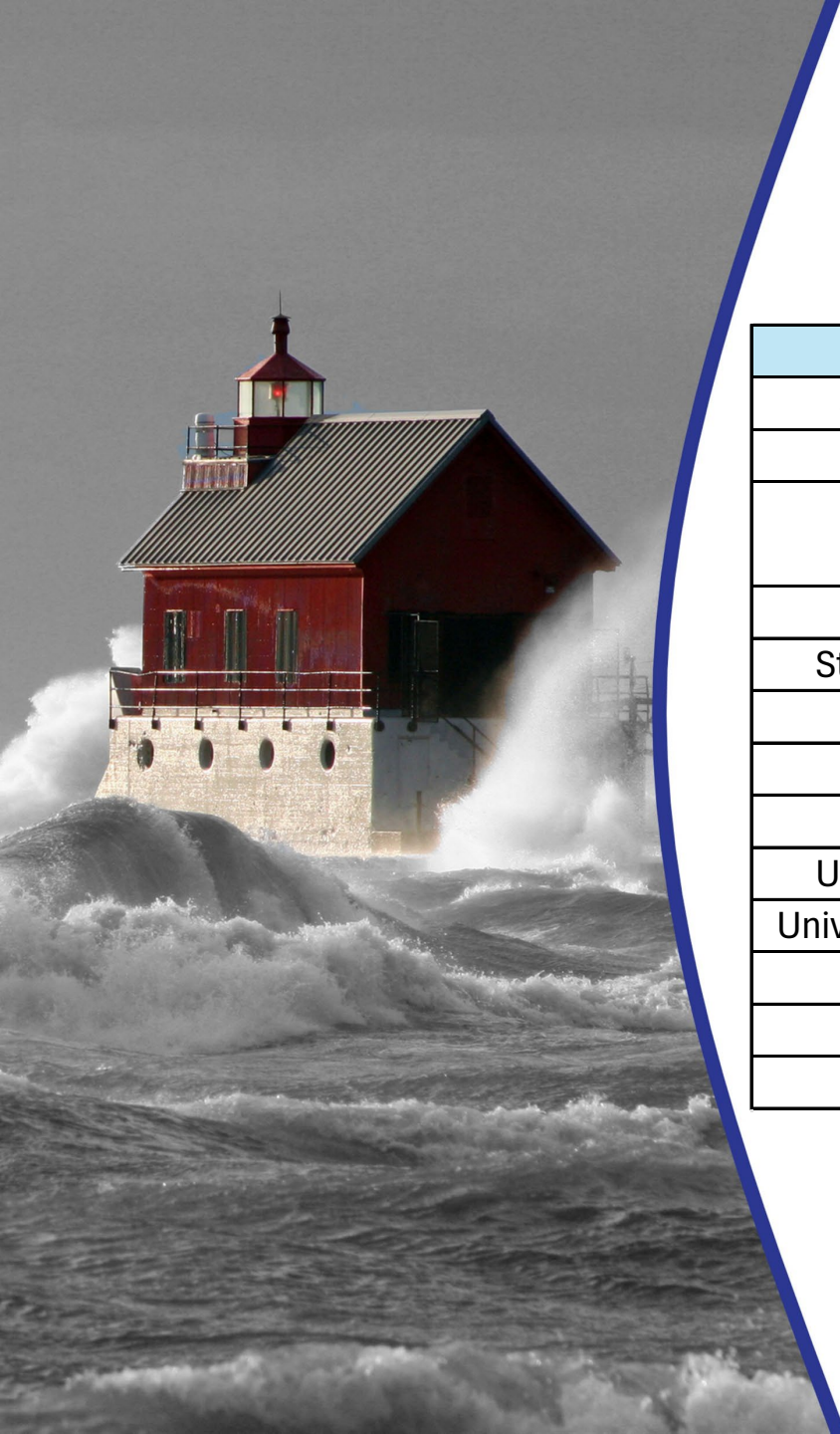
***Audit Look-Back Period: January 1, 2024, through December 31, 2025***

Standard	Associated Federal Citation		Year One (SFY 2024)	Year Two (SFY 2025)	Year Three (SFY 2026)
	Medicaid	CHIP			
Standard I—Member Rights and Member Information	§438.10 §438.100	§457.1207 §457.1220	✓		Review of the PIHP's Year One and Year Two Corrective Action Plans (CAPs)
Standard II—Emergency and Poststabilization Services	§438.114	§457.1228		✓	
Standard III—Availability of Services	§438.206	§457.1230(a)	✓		
Standard IV—Assurances of Adequate Capacity and Services	§438.207	§457.1230(b) §457.1218	✓		
Standard V—Coordination and Continuity of Care	§438.208	§457.1230(c)	✓		
Standard VI—Coverage and Authorization of Services	§438.210	§457.1230(d)	✓		
Standard VII—Provider Selection	§438.214	§457.1233(a)	•	✓	
Standard VIII—Confidentiality	§438.224	§457.1233(e)	•	✓	
Standard IX—Grievance and Appeal Systems	§438.228	§457.1260	•	✓	
Standard X—Subcontractual Relationships and Delegation	§438.230	§457.1233(b)	•	✓	
Standard XI—Practice Guidelines	§438.236	§457.1233(c)	•	✓	
Standard XII—Health Information Systems	§438.242	§457.1233(d)	•	✓	
Standard XIII—Quality Assessment and Performance Improvement Program	§438.330	§457.1240	•	✓	



# FY25 LRE SMEs

HSAG STANDARD	LRE SME	QAPIP COMPONENT
Standard II - Emergency and Poststabilization Services	Sandi Stasko	No
Standard VII - Provider Selection	Pam Bronson	Yes
Standard VIII - Confidentiality	Jack Calhoun/ George Motakis	No
Standard IX - Grievance and Appeal Systems	Michelle Anguiano	No
Standard X - Subcontractor Relationships and Delegation	Jim McCormick	No
Standard XI - Practice Guidelines	Sandi Stasko	Yes
Standard XII - Health Information Systems	Ione Myers	No
Standard XIII - QAPIP	S. VanDerKooi	Yes
Universe Files - Individual Credentialing/Re-Credentialing	Pam Bronson	Yes
Universe Files - Organizational Credentialing/Re-Credentialing	Pam Bronson	Yes
Universe Files - Grievances	Michelle Anguiano	No
Universe Files - Appeals	Michelle Anguiano	No
Universe Files - Delegation Grid	Jim McCormick	No





# Customer Services Phone Line Update

Year to date Customer Service phone calls:  
361 total calls-

- **Appeals:** 299
- **Grievances:** 7
- **Care Coordination:** 28
- **NABD Questions:** 27



# Customer Services- Grievance vs Appeal

**Grievance:** A Grievance is an enrollee's expressed dissatisfaction about the PIHP/CMHSP services issues, other than an Adverse Benefit Determination

**Appeal:** A review at the local level by a PIHP of an Adverse Benefit Determination.

**Notice of Adverse Benefit Determination (NABD):**  
Written statement advising the enrollee of a decision to deny or limit authorization of Medicaid services requested or currently provided.



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## Customer Services Update:

- Alan Bolter from CMHAM coming to LRE to address Community Advisory Panel (CAP) in September regarding the state RFP
- Staff has been attending CMH Consumer Advisory Panel meetings to gather questions for Alan from consumers.

# Clinical/UM Updates

Goal set by MDHHS for percentage of PIHP/CMHSP Joint Care Plans open with MHP = 25%

MHP	Total Joint Care Plans	Total Individuals by MHP	Pct Joint Care Plans by MHP
Aetna Better Health of Michigan	0	0	0%
Blue Cross Complete	6	6	100%
McLaren Health Plan	10	10	100%
Meridian Health Plan Of Michigan	28	28	100%
Molina Healthcare Of Michigan	24	24	100%
Priority Health	86	86	100%
UnitedHealthCare	20	20	100%

As you can see – we've certainly achieved the goal.  
**This shows great collaborative effort from MHPs, as well as CMHSPs and LRE.**



# Clinical/UM Updates cont...

## Ongoing projects:

1. Core Services Menu Project
  - Finding statistically significant over-uses of services based on LOCUS scores.
    - Review
    - Audit for medical necessity and documentation
    - Share results with CMHSP

Still very much a work in progress – but is progressing

2. Implementation of HSAG recommendations in policy and practice.
3. Deep run through of policies to ensure they accurately capture what the LRE does in support of CMHSP





## Legislative Update:

Each month the Operations team produces a Legislative update on current and possible legislation at both the state and federal level.

**Please see the full report [HERE](#).**



# Strategic Planning Survey:

The LRE is in year 2 of our 3-year Strategic Plan. In order to gather data to help set our FY26 priorities we have created a survey for all our **Regional Operations Advisory Teams** (ROATs) members to complete. The responses from our ROAT members give us valuable feedback to support effective ROAT processes and to help inform our priorities for the coming year.

Survey responses are confidential and will be compiled by a 3<sup>rd</sup> party evaluator and we will receive a report of results with comments from members.





# Children's Waiver Program (CWP)

## August 2025 Update

LRE currently has 110 enrolled children on the CWP.

9 clients are invited to enroll on the CWP.

Currently have 0 prescreens on the weighing list waiting for invitation.





## Habilitation Supports Waiver Update:

- Enrolled 2 packets in July, both for N180.
- There are 3 openings for August enrollment.
- 10 packets are ready to be enrolled and 8 packets waiting for updates (expired documents or HCBS updates).
- Additional slots have been requested for the new fiscal year.
  - Regionally there are: 676 slots
  - Requested 10 more for FY 26



# 1915(i)SPA Update

- **iSPA Proposed Policy:** Released 6/26/25, closed public comment on 7/29/25. Proposed effective date 9/1/25.

**Policy Purpose:** To address changes made in the SPA. This bulletin reflects the changes made in the iSPA amendment that was approved by CMS back in January. The bulletin serves as the official policy update of those approved changes.





## Children with Serious Emotional Disturbance (SEDW) Enrollment Overview

76 open cases

- **OnPoint:** 8
- **HW:** 10
- **N180:** 45
- **Ottawa:** 10
- **WM:** 3

### **Proposed Policy 2525-BCCHPS:**

**Policy Purpose:** To integrate the Children's Waiver with the SEDW changes that were made in the renewal application, which has been approved by CMS. Changes include the removal of Wraparound & Family Support and Training to State Plan services, updates to Overnight Health & Safety, as well as the addition of Equine Therapy.

# Q&A



# Lakeshore Regional Entity’s Legislative Update – 8/20/2025

This document contains a summary and status of bills in the House and Senate, and other political and noteworthy happenings that pertain to both mental and behavioral health, and substance use disorder in Michigan and the United States.



Prepared by Melanie Misiuk, SEDW & 1915(i)SPA Specialist & Stephanie VanDerKooi, Chief Operating Officer

**Highlight** = new updates  
**Highlight** = old bill, no longer active  
**Highlight** = Suggestions for Action & **Supported**/**Opposed** by CMHAM (Community Mental Health Association of Michigan)

## STATE LEGISLATION

### BILLS & REGULATIONS PERTAINING TO MENTAL HEALTH

Priority	BILL #	SUMMARY	SPONSOR	ACTION DATE
	HB 4032	Removes interstate medical licensure compact sunset (LARA Lead)	Rylee Lynting	1/28/25: Introduced, Referred to Committee on Health Policy 2/26/25: Referred to a second reading 3/5/25: Placed on a third reading, read a third time, passed 3/12/25: Passed by House with Immediate Effect, Referred to Committee on Health Policy
	HB 4037 & 4038	Establishes certain requirements to operate a health data utility (DHHS Lead)	Julie Rogers Curtie VanderWall	1/29/25: Introduced, Read, referred to the Committee on Health Policy 5/21/25: Referred to a second reading
	HB 4095	Requires insurance providers to panel mental health provider within a certain time period of application process (DIFS Lead)	Noah Arbit	2/20/25: Introduced, Read a first time, referred to Committee on Insurance
	SB 3-5	Creates prescription drug cost and affordability review act, and requires compliance (DIFS/DHHS/LEGAL)	Darrin Camilleri	1/8/25: Introduced, Referred to Committee on Finance, Insurance, and Consumer Protection 4/24/2025 – Referred to Committee of the Whole with substitute, placed on order of third reading, placed on immediate passage, amendments adopted, passed roll call, received in House, read a first time, referred to Committee on Government Operations



BILLS & REGULATIONS PERTAINING TO MENTAL HEALTH				
Priority	BILL #	SUMMARY	SPONSOR	ACTION DATE
	SB 18	Provides conditions on the use of certain federal benefits, including disability benefits, for a child in foster care. (DHHS/LEGAL)	Jeff Irwin	1/22/25: Introduced, Referred to the Committee on Housing and Human Services 3/20/25: Reported favorably without amendment, Referred to Committee of the Whole 4/16/2025: Reported by Committee of the Whole favorably without amendment, placed on order of third reading. 4/17/2025: Passed roll call, received in House, read a first time, referred to Committee on Families and Veterans
	SB 111	The bills would enhance protections against financial exploitation, abuse, and neglect of vulnerable adults. Specifically, they would create a process for certain elder and vulnerable adults to petition a circuit court to enter an elder and vulnerable adult personal protection order (PPO). They also would allow a county or region to create a vulnerable adult multidisciplinary team (team) that would work within that area to protect against and bring awareness to vulnerable adult abuse, neglect, and financial exploitation.	Jeff Irwin	2/27/25: Introduced, Referred to the Committee on Civil Rights, Judiciary, and Public Safety 3/18/25: Reported Favorably Without Amendment, Referred to the Committee of the Whole, Rules suspended for immediate consideration, reported by Committee of the Whole favorably without amendment, placed on order of Third Reading 4/16/2025: Passed roll call, received in House, read a first time, referred to Committee on Judiciary
	HB 4218 SB 142	These bills would make changes to the state recipient rights advisory committee to explicitly include a representative from Disability Rights Michigan, the Mental Health Association in Michigan, and the Arc Michigan.	Rep - Jamie Thompson Sen – Michael Webber	3/12/25: Introduced, read a first time, referred to the Committee on Health Policy (4218) 3/12/25: Introduced, Referred to the Committee on Housing and Human Services (142) 6/4/25: Referred to a second reading 7/24/25: Read a second time, placed on a third reading
	HB 4219 SB 143	These bills would require that patient’s rights during mental health treatment, including the objection to treatment, must be communicated orally and in writing to the patient.	Rep - Jamie Thompson Sen – Rick Outman	3/12/25: Introduced, read a first time, referred to the Committee on Health Policy (4219) 3/12/25: Introduced, Referred to the Committee on Housing and Human Services (143)

## BILLS & REGULATIONS PERTAINING TO MENTAL HEALTH

Priority	BILL #	SUMMARY	SPONSOR	ACTION DATE
				6/4/25: Referred to a second reading 7/24/25: Read a second time, placed on a third reading 8/19/25: Read a third time
	SB 129	This bill would amend the Open Meetings Act to allow an appointed member of a public body who has a disability to fully participate in a meeting remotely upon request. The bill would not apply to a member of a public body who was elected by electors to serve.	Sean McCann	3/6/25: Introduced, Rederred to the Committee on Civil Rights, Judiciary, and Public Safety 3/18/25: Reported favorably without amendment, referred to the Committee of the Whole 4/16/2025: Reported by the Committee of the Whole favorable without Amendment, placed on order of third reading 4/17/2025: Passed Roll Call, received in the House, read a first time, referred to Committee on Government Operations
	HB 4530	A bill to modify the deadline for mental health professionals to release mental health records or information pertinent to child abuse or neglect investigation to the department.	Laurie Pothusky	6/3/2025: Introduced, read a first time, referred to Committee on Families and Veterans
	HB 4535	Modifies eligibility for mental health court.	Kara Hope	6/3/2025: Introduced, read a first time, referred to Committee on Judiciary
	SB 221	A bill to provide for outpatient treatment for misdemeanor offenders with mental health issues	Sylvia Santana	4/17/2025: Introduced, referred to committee on Health Policy 5/8/2025: Reported favorably without amendment, referred to Committee of the Whole 5/20/2025: Referred to Committee of the Whole favorably without amendment, placed on order of a third reading 5/21/2025: passed roll call, received in House, read a first time, referred to Committee on Health Policy
	SB 334	Police Training; Requires mental health and law enforcement response training for law enforcement officers.	Jeff Irwin	5/29/2025: Introduced, Referred to the Committee on Civil Rights, Judiciary, and Public Safety
	HB 4676	A bill to amend Chapter 6 (Guardianship for the Developmentally Disabled) of the Mental Health Code to require courts to consider alternatives to appointing a guardian for an individual with a developmental disability who the court has determined is likely to need protection based on factors set forth in Chapter 6.	Sharon MacDonell	6/25/25: Introduced, Read a first time, referred to the Committee on Families and Veterans 8/13/25: Referred to a Second Reading

## BILLS & REGULATIONS PERTAINING TO SUD

Priority	BILL #	SUMMARY	SPONSOR(s)	STATUS/ACTION DATE
	SB 68	A bill to amend 1998 PA 58 to prohibit displaying co-branded alcoholic beverages adjacent to certain products.	Dayna Polehanki	2/5/25: Introduced, Referred to the Committee on Regulatory Affairs 2/26/25: Reported favorable without amendment, Referred to Committee of the Whole 3/6/25: Reported by Committee of the Whole favorable with amendments, placed on order of third reading 3/12/25: Passed Roll Call, Received in House, Read a first time, referred to Committee on Regulatory Reform
	HB 4166 & 4167	Prohibits illicit use of xylazine and provides penalties; Provides sentencing guidelines for illicit use of xylazine.	Kelly Breen Mike Mueller	3/5/2025 – Introduced, referred to the Committee on the Judiciary
	HB 4255 & 4256	Modifies penalties for crime of manufacturing, delivering, or possession of with intent to deliver certain controlled substances; Amends sentencing guidelines for delivering, manufacturing, or possessing with intent to deliver certain controlled substances. <b>*PLEASE SEE THE MISCELLANEOUS UPDATES SECTION BELOW FOR MORE INFORMATION*</b>	Sarah Lightner Ann Bollin	3/18/2025 – Introduced, referred to the Committee on the Judiciary 4/16/2025 – Reported with recommendation, referred to a second reading 4/23/2025 – Read a third time, passed, transmitted 4/29/2025 – Passed House with immediate effect, referred to Committee on Civil Rights, Judiciary, and Public Safety
	HB 4390 & 4391	Expands methods of testing intoxication or impairment in the Michigan vehicle code to include other bodily fluid.	Brian BeGole Julie Rogers	4/24/2025 – Introduced, read a first time, referred to Committee on Government Operations 5/22/25: Referred to a second reading 6/26/25: Read a second time, placed on a third reading 7/1/25: Read a third time, Passed, given immediate effect, transmitted 7/17/25: Passed by the House with Immediate Effect, moved to the Senate and referred to the Committee on Civil Rights, Judiciary, and Public Safety

BILLS & REGULATIONS PERTAINING TO SUD				
Priority	BILL #	SUMMARY	SPONSOR(s)	STATUS/ACTION DATE
	SB 219-222	Expands petition for access to assisted outpatient treatment to additional health providers	Paul Wojno	4/17/2025 – Introduced, Referred to Committee on Health Policy 5/8/2025 – Referred to Committee of the Whole 5/20/2025 – Placed on order of third reading with substitute 5/21/25 – passed roll call, received in the House, read a first time, referred to the Committee on Health Policy
	HB 4686	Controlled Substances; Allows creating, manufacturing, possessing, or using psilocybin or psilocin under certain circumstances.	Mike McFall	6/25/2025 – Introduced, Read a first time, Referred to the Committee on Families and Veterans
	SB 400	Prohibits prior authorization for certain opioid use disorder and alcohol use disorder medications.	Kevin Hertel	6/11/2025 – Introduced, Referred to the Committee on Health Policy, Reported favorably without amendment, Referred to the Committee of the Whole, Rules suspended for immediate consideration. 7/1/2025 – Reported favorably without amendment, placed on order of third reading, placed on immediate passage, passed roll call, Received in House, Read a first time, referred to Committee on Insurance
	SB 430 SB 431 SB 432	Modifies crime of manufacturing, delivering, or possession of with intent to deliver heroin or fentanyl to reflect changes in sentencing guidelines; Amends sentencing guidelines for delivering, manufacturing, or possessing with intent to deliver heroin or fentanyl; Allows probation for certain major controlled substances offenses.	Stephanie Chang Sarah Anthony Roger Victory	6/17/2025 – Introduced, Referred to the Committee on Civil Rights, Judiciary, and Public Safety
	SB 462, 464-465	Legislation to require retailers to obtain a state-issued license to sell tobacco products, including e-cigarettes and nicotine pouches.	Sam Singh Joe Bellino	6/26/2025 – Introduced, referred to the Committee on Regulatory Affairs
	SB 463 SB 466	Legislation that will repeal ineffective penalties on young people -- holding retailers accountable not, children.	Paul Wojno Mary Cavanaugh	6/26/2025 – Introduced, referred to the Committee on Regulatory Affairs

BILLS & REGULATIONS PERTAINING TO SUD				
Priority	BILL #	SUMMARY	SPONSOR(s)	STATUS/ACTION DATE
	SB 399	To amend Part 74 (Offenses and Penalties) of the Public Health Code to specify that, as used in Sections 7453 to 7461 and Section 7521, "drug paraphernalia" would not include testing products used in determining whether a controlled substance contained chemicals, toxic substances, or hazardous compounds in quantities that could cause physical harm or death. "Testing products" would include fentanyl testing strips.	Jeff Irwin	6/11/25 – Introduced, Referred to Committee on Health Policy 6/26/25 – Referred to Committee of the Whole 7/1/25 – Placed on order of third reading, placed on immediate passage, passed roll call, received in the House, read a first time, referred to the Committee on Insurance
	SB 402	To amend Section 109 of the Social Welfare Act to allow a Medicaid-eligible individual to receive street medicine services, including prescriptions for opioid use disorder, by an eligible provider.	Paul Wojno	6/11/25 – Introduced, Referred to Committee on Health Policy 6/26/25 – Referred to Committee of the Whole 7/1/25 – Placed on order of third reading, placed on immediate passage, passed roll call, received in the House, read a first time, referred to the Committee on Insurance

### FEDERAL LEGISLATION

BILLS & REGULATIONS PERTAINING TO MENTAL HEALTH				
Priority	BILL #	SUMMARY	SPONSOR(s)	STATUS/ACTION DATE


## BILLS & REGULATIONS PERTAINING TO SUD

Priority	BILL #	SUMMARY	SPONSOR(s)	STATUS/ACTION DATE
	H.R.27 S. 331	<b>HALT Fentanyl Act:</b> This bill permanently places fentanyl-related substances as a class into schedule I of the Controlled Substances Act. Under the bill, offenses involving fentanyl-related substances are triggered by the same quantity thresholds and subject to the same penalties as offenses involving fentanyl analogues (e.g., offenses involving 100 grams or more trigger a 10-year mandatory minimum prison term). Additionally, the bill establishes a new, alternative registration process for certain schedule I research.	Rep - H. Morgan Griffith Sen – Bill Cassidy	1/3/25: Introduced, Referred to the Committee on Energy and Commerce, Committee on the Judiciary See – H. Res. 93 2/10/25: Received in the Senate and Read twice and referred to the Committee on the Judiciary 3/3/25: Committee on the Judiciary. Reported by Senator Grassley with an amendment in the nature of a substitute. Without written report. 3/14/25: Passed/agreed to in Senate: Passed Senate with an amendment by Yea-Nay Vote. 84 – 16 3/18/25: Received in House 6/11/2025: Debate in House, Postponed Proceedings 6/12/2025: Considered Unfinished Business, On passage Passed by the Yeas and Nays: 321-104. Motion to reconsider laid on the table Agreed to without objection. 7/8/25: Presented to President 7/16/25: Signed by President. Became Public Law No: 119-26.
	H. Res. 93	Providing for consideration of the bill (H.R. 27) to amend the Controlled Substances Act with respect to the scheduling of fentanyl-related substances, and for other purposes.	H. Morgan Griffith	2/4/25: Submitted in the House, reported in the House 2/5/25: Debate – proceeded with one hour of debate, postponed proceedings, considered as unfinished business, motion to reconsider laid on the table without objection
	HR 2383	<b>Protecting Kids from Fentanyl Act of 2025:</b> To amend the Public Health Service Act to authorize the use of Preventive Health and Health Services Block Grants to purchase life-saving opioid antagonists for schools and to provide related training and education to students and teachers	Joe Neguse	03/26/2025 - Referred to the House Committee on Energy and Commerce


	S 1132	<b>Families Care Act:</b> To amend the Older Americans Act of 1965 to include peer supports as a supportive service within the National Family Caregiver Support Program, to require States to consider the unique needs of caregivers whose families have been impacted by substance use disorder, including opioid use disorder, in providing services under such program	Ted Budd	03/26/2025 - Read twice and referred to the Committee on Health, Education, Labor, and Pensions
	HR 2935	<b>PREPARE Act of 2025:</b> To establish a Commission on the Federal Regulation of Cannabis to study a prompt and plausible pathway to the Federal regulation of cannabis.	David Joyce	04/17/2025 - Referred to the Committee on Energy and Commerce, and in addition to the Committees on the Judiciary, Ways and Means, Agriculture, and Financial Services
	HR 2483	<b>SUPPORT for Patients and Communities Reauthorization Act of 2025 (SUPPORT Act):</b> This bill reauthorizes and revises Department of Health and Human Services (HHS) programs that address substance use disorders, overdoses, and mental health.	Brett Guthrie	3/31/2025 – Introduced in the House, Referred to the Committees on Energy, and Commerce, Education and Workforce, Judiciary, and Financial Services. 5/29/2025 – Placed on the Union Calendar 6/4/2025 – General Debate. Passed in the House 6/5/2025 – Received in the Senate, read twice, referred to the Committee on Health, Education, Labor, and Pensions
	HR 4607	<b>SEEK HELP Act:</b> To provide protections from prosecution for drug possession to individuals who seek medical assistance when witnessing or experiencing an overdose	Joe Neguse	07/22/2025 – Introduced, Referred to the Committee on the Judiciary, and in addition to the Committee on Energy and Commerce
	HR 4595	<b>Small and Homestead Independent Producers Act of 2025:</b> To provide authority for small cultivators of cannabis and small manufacturers of cannabis products to ship cannabis and cannabis products using the mail	Jared Huffman	07/22/2025 – Introduced, Referred to the Committee on Energy and Commerce, and in addition to the Committees on Agriculture, Oversight and Government Reform, and the Judiciary
	HR 1	<b>One Big Beautiful Bill Act:</b> This bill reduces taxes, reduces or increases spending for various federal programs, increases the statutory debt limit, and otherwise addresses agencies and programs throughout the federal government. It is known as a reconciliation bill and includes legislation submitted by several congressional committees pursuant to provisions in the FY2025 congressional budget resolution ( <a href="#">H Con. Res. 14</a> ) that directed the committees to submit legislation to the House or Senate Budget Committee that will increase or decrease the deficit and increase the statutory debt limit by specified amounts. (Reconciliation bills are considered by Congress using expedited legislative procedures that prevent a filibuster and restrict amendments in the Senate.)  *The LRE is actively monitoring the repercussions of this new law, and the effects it will have on our system.	Jodey Arrington	5/20/2025 - The House Committee on the Budget reported an original measure 5/22/2025 - On passage Passed by the Yeas and Nays: 215 – 214 in the House 6/27/2025 – Received in the Senate 7/1/2025 - Passed Senate with an amendment by Yea-Nay Vote. 51 – 50 7/3/2025 - On motion that the House agree to the Senate amendment Agreed to by recorded vote: 218 – 214. Presented to President. 7/4/2025 - Signed by President. Became Public Law No: 119-21.



## LEGISLATIVE CONCERNS

LOCAL THREATS AND CHALLENGES				
	ISSUE	SUMMARY	COUNTY	ADDITIONAL INFORMATION/LINKS
	<b>FY 26 Appropriations Issues</b>	See Attached Document		 FY26 CMHA key budget issues.docx
	<b>COVID Relief Funding Rescinded – ARPA Funds</b>	As of March 24, HHS halted distribution of unspent COVID relief grant funds, this includes additional Community Mental Health Services Block Grant (MHBG) funding and Substance Use Prevention, Treatment and Recovery Services (SUPTRS) Block Grant funding. This additional funding was originally authorized in statute by a pair of COVID-19 relief bills passed by Congress in 2020 and 2021, the Coronavirus Preparedness and Response Supplemental Appropriations Act and American Rescue Act, which gave states until Sept. 30, 2025, to use the funds.		National perspective: <a href="#">Mental health and addiction funding on the federal chopping block : NPR</a>  State perspective: <a href="#">Nessel sues as Trump health cuts hit Michigan disease, addiction programs</a>

## MISCELLANEOUS UPDATES

	ISSUE	SUMMARY	COUNTY	ADDITIONAL INFORMATION/LINKS
	<b>Presidential Drug Policy Priorities</b>	The White House Office of National Drug Control Policy (ONDCP) has announced six key priority areas that it plans to focus on this year: Reduce the Number of Overdose Fatalities, with a Focus on Fentanyl; Secure the Global Supply Chain Against Drug Trafficking; Stop the Flow of Drugs Across our Borders and into Our Communities; Prevent Drug Use Before It Starts; Provide Treatment That Leads to Long-Term Recovery; Innovate in Research and Data to Support Drug Control Strategies		<a href="#">ONDCP Releases Trump Administration’s Statement of Drug Policy Priorities – The White House</a>  <a href="#">2025-Trump-Administration-Drug-Policy-Priorities.pdf</a>
	<b>Regional Opposition to HB 4255 &amp; 4256</b>	The LRE and MSHN both have sent letters to State Senators in opposition of HB 4255 and 4256. Please see the attached letter. This letter was emailed to Senators at the instruction of the Regional SUD Directors.		 2025-5-2-HB4255-42 56 Opposition Letter.1

## Elected Officials

FEDERAL			
NAME		NATIONAL OFFICE CONTACT INFORMATION	LOCAL OFFICE CONTACT INFORMATION
US Senate	Elissa Slotkin	825B Hart Senate Office Building Washington, D.C. 20510-2204 Phone: (202) 224-4822	315 W. Allegan St. Suite 207 Lansing, MI 48933
US Senate	Gary Peters	Hart Senate Office Building Suite 724 Washington, D.C. 20510 Phone: (202) 224-6221	110 Michigan Street NW Suite 720 Grand Rapids, MI 49503 Phone: (616) 233-9150
US Representative	Bill Huizenga	2232 Rayburn HOB Washington, D.C. 20515 Phone: (202) 225-4401	170 College Ave. Suite 160 Holland, MI 49423 Phone: (616) 251-6741
US Representative	Hillary Scholten	1317 Longworth House Office Building Washington, DC 20515 Phone: (202) 225-3831	110 Michigan Street NW Grand Rapids, MI 49503 Phone: (616) 451-8383
US Representative	John Moolenaar	246 Cannon House Office Building Washington, DC 20515 Phone: (202) 225-3561	8980 North Rodgers Court Suite H Caledonia, MI 49316 Phone: (616) 528-7100

STATE	
Find Your State Senator	<a href="https://senate.michigan.gov/FindYourSenator/">Home Page Find Your Senator - Michigan Senate</a> ( <a href="https://senate.michigan.gov/FindYourSenator/">https://senate.michigan.gov/FindYourSenator/</a> )
Find Your State Representative	<a href="https://www.house.mi.gov/">Michigan House - Home Page</a> ( <a href="https://www.house.mi.gov/">https://www.house.mi.gov/</a> )

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**EXECUTIVE COMMITTEE SUMMARY**

Wednesday, August 20, 2025, 1:00 PM

Present: Patricia Gardner, Janet Thomas, Richard Kanten, Craig Van Beek, Ron Bacon  
LRE: Mary Marlatt-Dumas, Stephanie VanDerKooi

**WELCOME and INTRODUCTIONS**

- i. Review of August 20, 2025, Meeting Agenda
- ii. Review of July 16, 2025, Meeting Minutes

August 20, 2025, agenda, July 16, 2025, meeting minutes are accepted as presented.

**MDHHS UPDATES**

- i. FY22 Cost Settlement Update
  - The Department's response was due on 8/20. When our legal receives the response, he will send to LRE for review.
- ii. Treasury Department Update
  - Legal spoke with the Department, which indicated that it is holding an internal meeting and will share the outcome with our legal.
  - A motion will be presented to the LRE Board next week, if the department fails to provide a satisfactory resolution.
- iii. 4 PIHPs Lawsuit
  - Currently there are no further updates.
- iv. PIHP Rebid Update
  - There are 3 ways under Urban Cooperation Act (UCA) to submit a bid:
    - 5 PIHPs could create a regional entity.
    - 33 CMHs could create a regional entity.
    - 44 Counties could create a regional entity.
  - To enable LRE to join a different entity, based on LRE bylaws, would require unanimous approval from the LRE Board, followed by unanimous approval from all CMH Boards. The CEO Ops group will meet today to discuss this option.
  - Ms. Marlatt-Dumas reports that there were numerous private entities and health plans that were in attendance during MDHHS bidder's conference that was held on August 11<sup>th</sup>.
  - Richard Carpenter (Rehman, CPA firm) has proposed a plan to the central region that would be a private/public partnership. Rehman has contracted with many of the CMHs/PIHPs throughout Michigan. The plan would pay all administrative expenses plus 1% off the gross (est. \$20 million) with a possible additional 2% after the fiscal year based on performance (up to est. \$60 million) and they would appoint the Chair of the board.

- LRE will have further discussion during the August Board meeting on how to move forward and will use the Work Session to review the PowerPoint.
- LRE will contact Greg Moore and Chris Ryan (Taft Law) to meet with the Executive Committee to address questions.

#### LRE BOARD RESOLUTION – PIHP PROCUREMENT

The Executive Committee do not recommend bringing a resolution to the board regarding joining a lawsuit against the state. The Executive Committee do agree to bring a resolution to draft or join a joint venture to bid on the RFP.

- LRE will prepare the language to share with Executive Committee before submitting it to the full Board.

#### GOVERNANCE COMMITTEE

A governance committee will be appointed during the August Board meeting to bring a recommendation to the full board for the 25/26 slate of officers during the September meeting.

#### BOARD MEETING AGENDA ITEMS

- i. Strategic Plan Board Survey
- ii. Action Items
  - a. Board Governance Committee Appointment
  - b. LRE Board Resolution –
    - PIHP Procurement
    - Department of Treasury

#### BOARD WORK SESSION AGENDA

- i. Annual Required Compliance Training
- ii. PIHP RFP Request for Proposal Discussion
  - Mary Marlatt-Dumas and Stephanie VanDerKooi will give the presentation.

#### UPCOMING MEETINGS

- August 27, 2025 – LRE Executive Board Work Session, 11:00 AM  
GVSU, Muskegon Innovation Hub, 200 Viridian Dr, Muskegon, MI 49440
- August 27, 2025 – LRE Executive Board Meeting, 1:00 PM  
GVSU, Muskegon Innovation Hub, 200 Viridian Dr, Muskegon, MI 49440
- September 11, 2025 – LRE Community Advisory Panel, 1:00 PM
- September 17, 2025 – Executive Committee, 1:00PM
- September 24, 2025 – LRE Executive Board Work Session, 11:00 AM  
GVSU, Muskegon Innovation Hub, 200 Viridian Dr, Muskegon, MI 49440
- September 24, 2025 – LRE Executive Board Meeting, 1:00 PM  
GVSU, Muskegon Innovation Hub, 200 Viridian Dr, Muskegon, MI 49440

#### ADJOURN

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**MEMO**

**TO:** LRE Board of Directors  
Mary Marlatt-Dumas, Chief Executive Officer

**FROM:** Jack Calhoun, Compliance Officer

**DATE:** August 22, 2025

**RE:** Compliance Oversight Committee

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The purpose of this memo is to request the LRE Board of Directors to select and appoint member representation to the Compliance Oversight Committee.

LRE's contract with the Michigan Department of Health and Human Services requires that the organization has a committee that oversees compliance activities. The committee's purpose is to ensure there is open communication between the Compliance Department, the organization's executive team, and Board of Directors. The committee is also to ensure there is a focus on compliance at multiple levels of the organization and to ensure awareness of regulations and risks. At the direction of the MDHHS Office of Inspector General, LRE is establishing a Compliance Oversight Committee that is to comprise executive leadership and representation from the Board of Directors. The committee will meet quarterly and will review recent compliance activities and the program's current status. The committee will also provide consultation upon the request of the Compliance Officer.

The Compliance Oversight Committee will be facilitated by the Compliance Officer, who plans to hold an initial meeting in September, 2025. Subsequent quarterly meetings will occur in January, April, July, and October of each year. Meetings are planned to be virtual and, generally, one hour in length.

Thank you for your attention to this matter.



## Lakeshore Regional Entity Board

### Financial Officer Report for August 2025

**8/27/2025**

- **Disbursements Report** – A motion is requested to approve the July 2025 disbursements. A summary of those disbursements is included as an attachment.
- **Statement of Activities** – Report through June is included as an attachment.
- **LRE Combined Monthly FSR** – The June LRE Combined Monthly FSR Report is included as an attachment for this month's meeting. Expense projections, as reported by each CMHSP, are noted. An actual **deficit** through June of \$3.9 million, a projected annual **surplus** of \$2.1 million, and a budgeted **surplus** of \$184 thousand regionally (Medicaid and HMP, excluding CCBHC) is shown in this month's report. All CMHSPs have an actual **surplus** except Network180 who has a **deficit** of \$13.8 million and CMH of Ottawa \$1.1 million. HealthWest and West Michigan CMH have projected **surpluses**. Network180, OnPoint, and CMH of Ottawa have projected **deficits**. All CMHSPs have a budgeted **surplus or breakeven**, except OnPoint with a budgeted **deficit** of \$268 thousand and CMH of Ottawa with a budgeted **deficit** of \$1.1 million.

Projected revenues are based on rate certification amendment 3. Even though the June FSR is showing a projected **surplus**, based on historical expenses coming in higher than projected by the CMHSPs, LRE estimates there will be an approximate \$2.5 million **deficit** at year end.

CCBHC activity (excluding PIHP activity) is included in this month's report showing an actual **surplus** of \$4.5 million (excluding LRE activity), which is the responsibility of the CCBHCs and not the PIHP. A projected **deficit** of \$1.9 million and a budgeted **deficit** of \$1.3 million is shown.

- **Cash Flow Issues** – Network180 has \$2 million left outstanding in cash advances to be repaid to LRE before the end of FY25. No other cash flow issues have been reported by the Member CMHSPs.
- **FY2024 Member CMHSP Cost Settlements** – For FY24, cost settlement notices were sent to the Member CMHSPs in late July and early August for both traditional Medicaid/Healthy Michigan Plan and CCBHC.

Medicaid\_HMP Cost Settlement Summary  
FY24

CMHSP	Medicaid (Due To) / Due From CMHSP	HMP (Due To) / Due From CMHSP	Total (Due To) / Due From CMHSP
Allegan	1,609,731.68	(372,261.74)	1,237,469.94
Healthwest	6,710,047.32	(2,766,343.89)	3,943,703.43
N180	(10,572,855.80)	(4,466,925.27)	(15,039,781.07)
Ottawa	(3,795,627.86)	(652,206.70)	(4,447,834.56)
West MI CMH	424,871.76	(397,464.28)	27,407.48
Total (Due To)/Due From CMHSP	(5,623,832.90)	(8,655,201.88)	(14,279,034.78)

**CCBHC Cost Settlement Summary**

Allegan	(454,569.82)
Healthwest	(217,464.98)
N180	(656,409.86)
Ottawa	(27,194.79)
West MI CMH	148,644.35
<b>Total (Due To)/Due From CCBHC</b>	<b>\$ (1,206,995.10)</b>

Member CMHSPs/CCBHCs have confirmed all of the balances except Allegan and West Michigan CMH who have yet to confirm the Medicaid/HMP Settlements, which are not due until August 31, 2025.

- **FY2026 Rate Setting** – MDHHS held another rate setting meeting with the PIHPs on August 20, 2025. Draft FY26 rate information was provided by MDHHS. It appears that net of CCBHC base capitation, Milliman (the State's actuary) is projecting that Region 3 will receive an increase of \$34.9 million or 9.1%.

**Projected base capitation revenue summary (\$ in millions)**

Region	Original Amendment 3 SFY 2025 Base Capitation Revenue	Updated SFY 2025 Base Capitation Revenue	SFY 2025 CCBHC Base Capitation Revenue	SFY 2025 Non- CCBHC Demonstration Revenue	SFY 2026 Draft Projected Base Capitation Revenue	Net Difference	Percentage Difference
	[A]	[B]	[C]	[D] = [B] - [C]	[E]	[F] = [E] - [D]	[G] = [F] / [D]
1	\$ 144.6	\$ 146.3	\$ 0.0	\$ 146.3	\$ 143.3	(\$ 3.0)	(2.0%)
2	246.9	253.9	0.0	253.9	265.8	11.9	4.7%
3	426.5	423.4	35.7	387.7	422.6	34.9	9.1%
4	344.4	343.1	45.3	297.8	348.5	50.7	17.0%
5	803.0	805.9	49.6	756.3	839.4	83.1	11.0%
6	266.6	269.3	14.5	254.8	238.4	(16.4)	(6.4%)
7	999.2	1,005.6	57.7	948.0	978.5	30.5	3.3%
8	431.9	428.6	35.9	392.7	427.9	35.2	9.0%
9	310.9	319.0	34.9	284.2	262.8	(21.4)	(7.5%)
10	346.2	337.9	29.6	308.3	313.8	5.5	1.8%
<b>Total</b>	<b>\$ 4,320.3</b>	<b>\$ 4,333.1</b>	<b>\$ 303.1</b>	<b>\$ 4,030.0</b>	<b>\$ 4,241.0</b>	<b>\$ 211.0</b>	<b>5.2%</b>

**Notes:**

1. All revenue shown includes all Medicaid population groups (DAB, TANF, HMP, HSW, SEDW, CWP).
2. Amendment 3 SFY 2025 base capitation revenue represents regional revenue projections delivered May 30, 2025, as part of the Amendment 3 PIHP Memo.
3. Updated SFY 2025 base capitation revenue was calculated using rate development from SFY 2025 Behavioral Health Capitation Rate Certification - Amendment 3 and utilizes SFY 2026 projected enrollment.
4. SFY 2025 CCBHC base capitation revenue reflects rate setting assumptions from Appendix 8 of the SFY 2025 Behavioral Health Rate Certification - Amendment 4.
5. SFY 2026 draft projected revenue reflects SFY 2026 draft behavioral health rate setting assumptions as of August 6, 2025.
6. All revenue shown includes IPA but does not include withhold/PBIP and HRA.

However, when developing the FY26 rates, Milliman removed \$76.2 million from base capitation for CCBHC (see below). Milliman indicated that this number is based on FY24 CCBHC expenses as reported on the EQI, which is relatively close to the figures Region 3 reported.

### SUMMARY OF SFY 2026 CAPITATION RATE DEVELOPMENT

DESCRIPTION	RATE IMPACT (MILLIONS)	RATE IMPACT PERCENTAGE	RATE IMPACT PMPM
SFY 2024 Base Encounter Experience	\$ 383.2		\$ 121.27
<b>SFY 2024 Retrospective Adjustments</b>			
EQI Repricing - Utilization	(0.3)	(0.1%)	(0.09)
EQI Repricing - Unit Cost	16.4	4.1%	5.19
Removal of IMD Stays over 15 Days	(4.1)	(1.0%)	(1.29)
Removal of CCBHC Services	(76.2)	(23.9%)	(24.12)
Direct Care Worker Increase	(29.2)	(10.1%)	(9.24)
<b>SFY 2026 Prospective Adjustments</b>			
Projected Base	(18.4)	(6.8%)	(5.82)
Utilization and Unit Cost Trend	50.5	15.7%	15.96
Acuity	12.7	3.8%	4.02
1915(c) Waiver Adjustment	0.6	0.2%	0.20
Methadone Unit Cost	0.0	0.0%	0.01
ABA Legislative Repricing (97153)	3.0	0.9%	0.94
DCW Add Back	28.9	7.9%	9.16
Minimum Wage	2.2	0.6%	0.71
Sick Time	1.2	0.3%	0.39
Waskul Adjustment	1.1	0.3%	0.36
Private Duty Nursing - Unit Cost	0.1	0.0%	0.03
<b>Credibility Adjustments</b>			
Credibility Adjustments	0.0	0.0%	-
<b>Non-Benefit Expense Add-Ons</b>			
Managed Care Administration	46.5	11.1%	14.71
Risk Margin	4.2	1.0%	1.34
IPA	3.8	0.9%	1.20
SFY 2026 Total Projected Expenditures (Excluding HRA)	426.4	0.0%	134.93
HRA	26.0	3.0%	8.22
<b>SFY 2026 Total Projected Expenditures</b>	<b>452.4</b>	<b>0.0%</b>	<b>143.15</b>

Although we believe Milliman is removing too much for CCBHC, this is offset by the \$50.5 million Utilization and Unit Cost Trend. It's difficult to say offhand whether we'll actually see a 9.1% increase due to the change in the rate structure. Historically, capitation rates were differentiated based on a combination of population, age, gender and whether the individual was enrolled in a Medicaid health plan or not. For FY26, Milliman is consolidating the age groups and will no longer distinguish between enrolled and unenrolled. This is a significant change, for example, DAB currently has 32 rate groups and will be consolidated into 6. There are currently 4 rates for DAB males between the ages of 0-18 that range from \$363.76 - \$1,056.60. In FY26, the rate will be \$528.48. LRE is working on re-grouping our historical enrollment data to determine the revenue impact.

- **FY26 CMHSP Spending Plans/Budgets** – Spending Plans/Budgets were due from the CMHSPs to LRE on August 1, 2025. The net of those spending plans/budgets show a regional **surplus** of \$1,239,306 as of 8/18/25 as follows:

Lakeshore Regional Entity

FY26 Spending Plan Summary

As of 8/18/25

Surplus/(Deficit)	CMHSP Name
329,037	Healthwest
-	N180
456,091	OnPoint
454,178	Ottawa
-	WMCMH
<u>1,239,306</u>	Total

The FY26 Spending Plan Summary as of 8/18/25 above was shared with Finance ROAT on August 18, 2025.

- **ISF Analysis** – The Draft FY26 rate information was provided to the actuarial firm utilized by LRE on August 21, 2025. More information will be provided as that analysis progresses.

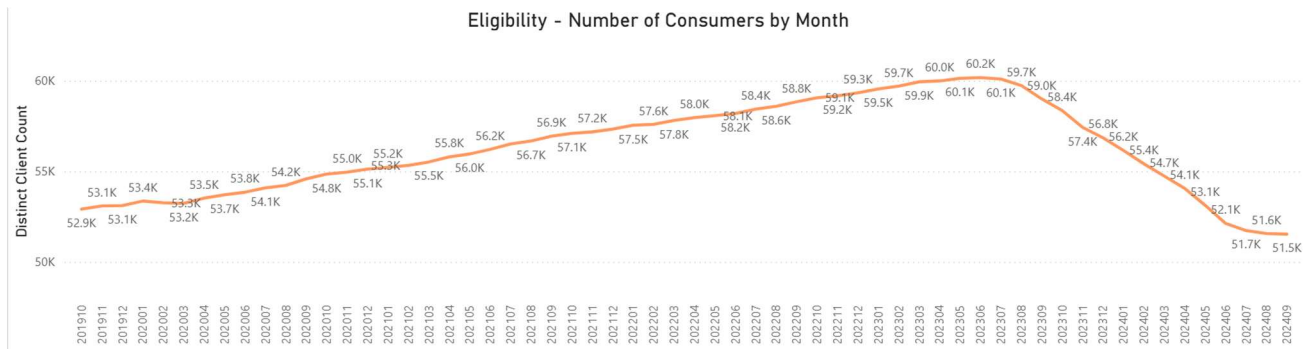


FY 2025 Revenue Projection								
Total LRE				CMHSPs Breakdown (Net of CCBHC)				
	FY25 Initial Budget Projection	FY25 Current Budget Projection	FY25 Initial to Current Change		FY25 Initial Budget Projection	FY25 Current Budget Projection	FY25 Initial to Current Change	
WCD - MH	\$ 208,240,822	\$ 213,990,830	\$ 5,750,009 2.76%		MCD - MH			
WCD - SUD	\$ 8,162,709	\$ 7,688,991	\$ (473,717) -5.80%	OnPoint	\$ 16,864,811	\$ 16,953,169	\$ 88,359	
HMP - MH	\$ 17,311,272	\$ 22,040,082	\$ 4,728,810 27.32%	Healthwest	\$ 40,261,507	\$ 42,134,946	\$ 1,873,439	
HMP - SUD	\$ 11,157,718	\$ 11,641,178	\$ 483,460 4.33%	Network180	\$ 109,602,547	\$ 111,059,162	\$ 1,456,615	
Autism	\$ 47,599,001	\$ 64,846,089	\$ 17,247,088 36.23%	Ottawa	\$ 28,657,374	\$ 30,324,697	\$ 1,667,323	
Waiver	\$ 56,582,505	\$ 57,911,998	\$ 1,329,493 2.35%	West Michigan	\$ 12,854,583	\$ 13,518,856	\$ 664,273	
SUDHH	\$ -	\$ 9,914	\$ 9,914	Total MCD - MH	\$ 208,240,822	\$ 213,990,830	\$ 5,750,009	
SUDHH - LRE Admin	\$ -	\$ 2,479	\$ 2,479		MCD - SUD			
CBHC MCD Base Cap	\$ 23,389,790	\$ 26,915,408	\$ 3,525,618 15.07%	OnPoint	\$ 653,507	\$ 602,751	\$ (50,756)	
CBHC HMP Base Cap	\$ 6,046,769	\$ 6,702,096	\$ 655,328 10.84%	Healthwest	\$ 1,657,313	\$ 1,564,866	\$ (92,447)	
CBHC MCD Supplemental	\$ 34,550,918	\$ 41,499,000	\$ 6,948,082 20.11%	Network180	\$ 4,253,796	\$ 3,987,935	\$ (265,860)	
CBHC HMP Supplemental	\$ 9,822,186	\$ 12,533,134	\$ 2,710,948 27.60%	Ottawa	\$ 1,057,081	\$ 1,010,901	\$ (46,179)	
RE Admin	\$ 13,922,556	\$ 13,922,556	\$ - 0.00%	West Michigan	\$ 541,012	\$ 522,538	\$ (18,474)	
SF	\$ -	\$ -	\$ -	Total MCD - SUD	\$ 8,162,709	\$ 7,688,991	\$ (473,717)	
PA	\$ 3,585,824	\$ 3,836,214	\$ 250,390 6.98%		HMP - MH			
Total Region	\$ 440,372,070	\$ 483,539,970	\$ 43,167,900 9.80%	OnPoint	\$ 1,226,108	\$ 1,574,385	\$ 348,277	
				Healthwest	\$ 2,989,777	\$ 3,906,326	\$ 916,549	
Total CMHSPs								
	FY25 Initial Budget Projection	FY25 Current Budget Projection	FY25 Initial to Current Change					
OnPoint	\$ 39,310,267	\$ 41,400,221	\$ 2,089,954 5.32%	Network180	\$ 9,632,693	\$ 11,871,064	\$ 2,238,371	
Healthwest	\$ 90,762,761	\$ 101,326,276	\$ 10,563,516 11.64%	Ottawa	\$ 2,793,323	\$ 3,572,915	\$ 779,592	
Network180	\$ 200,607,414	\$ 223,186,320	\$ 22,578,906 11.26%	West Michigan	\$ 669,371	\$ 1,115,392	\$ 446,021	
Ottawa	\$ 59,198,098	\$ 64,310,846	\$ 5,112,748 8.64%	Total HMP - MH	\$ 17,311,272	\$ 22,040,082	\$ 4,728,810	
West Michigan	\$ 32,985,149	\$ 35,555,058	\$ 2,569,909 7.79%		HMP - SUD			
Total CMHSPs	\$ 422,863,689	\$ 465,778,721	\$ 42,915,032 10.15%	OnPoint	\$ 805,992	\$ 858,364	\$ 52,372	
				Healthwest	\$ 1,996,379	\$ 2,158,486	\$ 162,107	
Average PMPM - Net of CCBHC Supplemental & SUDHH Revenue				Network180	\$ 6,176,263	\$ 6,202,794	\$ 26,530	
				Ottawa	\$ 1,722,885	\$ 1,797,912	\$ 75,027	
				West Michigan	\$ 456,198	\$ 623,622	\$ 167,424	
	FY25 Initial Budget Projection	FY25 Current Budget Projection	FY25 Initial to Current Change	Total HMP - SUD	\$ 11,157,718	\$ 11,641,178	\$ 483,460	
OnPoint	\$ 131.90	\$ 133.99	\$ 2.09 1.58%		Autism			
Healthwest	\$ 136.33	\$ 139.53	\$ 3.20 2.35%	OnPoint	\$ 4,198,155	\$ 5,429,364	\$ 1,231,209	
Network180	\$ 122.55	\$ 124.30	\$ 1.75 1.43%	Healthwest	\$ 9,643,002	\$ 13,105,493	\$ 3,462,491	
Ottawa	\$ 121.59	\$ 124.75	\$ 3.16 2.60%	Network180	\$ 23,969,281	\$ 33,200,485	\$ 9,231,204	
West Michigan	\$ 129.50	\$ 129.80	\$ 0.30 0.23%	Ottawa	\$ 6,980,987	\$ 9,294,777	\$ 2,313,790	
Total CMHSPs	\$ 126.27	\$ 128.39	\$ 2.12 1.68%	West Michigan	\$ 2,807,575	\$ 3,815,968	\$ 1,008,394	
				Total Autism	\$ 47,599,001	\$ 64,846,089	\$ 17,247,088	
					Waiver			
Member Month Projection				OnPoint	\$ 6,363,966	\$ 6,429,568	\$ 65,602	
	FY25 Initial Budget Projection	FY25 Current Budget Projection	FY25 Initial to Current Change					
OnPoint	246,600	262,902	16,302	Healthwest	\$ 12,978,790	\$ 13,331,971	\$ 353,181	
Healthwest	568,250	601,265	33,015	Network180	\$ 23,778,918	\$ 24,940,009	\$ 1,161,091	
Network180	1,532,219	1,657,331	125,112	Ottawa	\$ 9,457,872	\$ 9,518,741	\$ 60,869	
Ottawa	444,895	469,584	24,689	West Michigan	\$ 4,002,959	\$ 3,691,708	\$ (311,251)	
West Michigan	205,608	215,911	10,304	Total Waiver	\$ 56,582,505	\$ 57,911,998	\$ 1,329,493	
Total Member Months	2,997,571	3,206,993	209,422					

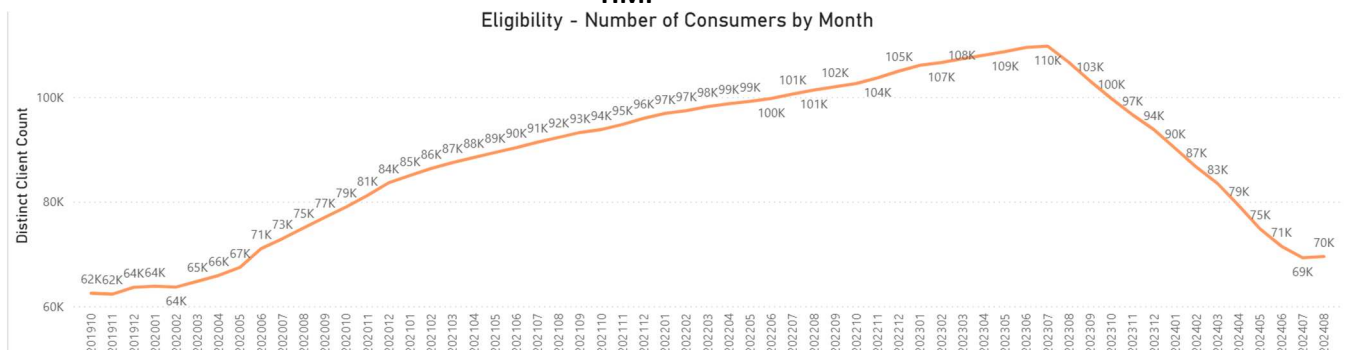
CMHSPs Breakdown - CCBHC			
	FY25 Initial Budget Projection	FY25 Current Budget Projection	FY25 Initial to Current Change
<b>MCD - CCBHC Base Capitation</b>			
OnPoint	\$ 1,881,018	\$ 2,747,074	\$ 866,056
Healthwest	\$ 6,336,673	\$ 6,135,958	\$ (200,715)
Network180	\$ 8,529,158	\$ 12,033,749	\$ 3,504,591
Ottawa	\$ 2,763,358	\$ 2,395,123	\$ (368,235)
West Michigan	\$ 3,879,583	\$ 3,603,504	\$ (276,079)
<b>Total</b>	<b>\$ 23,389,790</b>	<b>\$ 26,915,408</b>	<b>\$ 3,525,618</b>
<b>HMP - CCBHC Base Capitation</b>			
OnPoint	\$ 532,594	\$ 630,915	\$ 98,321
Healthwest	\$ 1,608,943	\$ 1,557,980	\$ (50,963)
Network180	\$ 1,826,960	\$ 2,711,351	\$ 884,391
Ottawa	\$ 662,433	\$ 667,757	\$ 5,324
West Michigan	\$ 1,415,840	\$ 1,134,095	\$ (281,745)
<b>Total</b>	<b>\$ 6,046,769</b>	<b>\$ 6,702,096</b>	<b>\$ 655,328</b>
<b>MCD - CCBHC Supplemental Revenue</b>			
OnPoint	\$ 5,071,207	\$ 4,525,203	\$ (546,004)
Healthwest	\$ 10,199,499	\$ 13,427,898	\$ 3,228,399
Network180	\$ 10,691,851	\$ 13,708,391	\$ 3,016,540
Ottawa	\$ 3,930,417	\$ 4,273,060	\$ 342,643
West Michigan	\$ 4,657,943	\$ 5,564,448	\$ 906,504
<b>Total</b>	<b>\$ 34,550,918</b>	<b>\$ 41,499,000</b>	<b>\$ 6,948,082</b>
<b>HMP - CCBHC Supplemental Revenue</b>			
OnPoint	\$ 1,712,909	\$ 1,649,426	\$ (63,483)
Healthwest	\$ 3,090,877	\$ 4,002,352	\$ 911,475
Network180	\$ 2,145,946	\$ 3,471,379	\$ 1,325,433
Ottawa	\$ 1,172,369	\$ 1,445,049	\$ 272,680
West Michigan	\$ 1,700,084	\$ 1,964,927	\$ 264,843
<b>Total</b>	<b>\$ 9,822,186</b>	<b>\$ 12,533,134</b>	<b>\$ 2,710,948</b>

- Financial Data/Charts** – The charts below show regional eligibility trends by population. The number of Medicaid eligible individuals in our region determines the amount of revenue the LRE receives each month. Data is shown for October 2019 – June 2025. The LRE also receives payments for other individuals who are not listed on these charts but are eligible for behavioral health services (i.e. individuals enrolled and eligible for the Habilitation Supports Waiver (HSW) program. Due to the end of the PHE, Medicaid eligibility redeterminations resumed in July 2024.

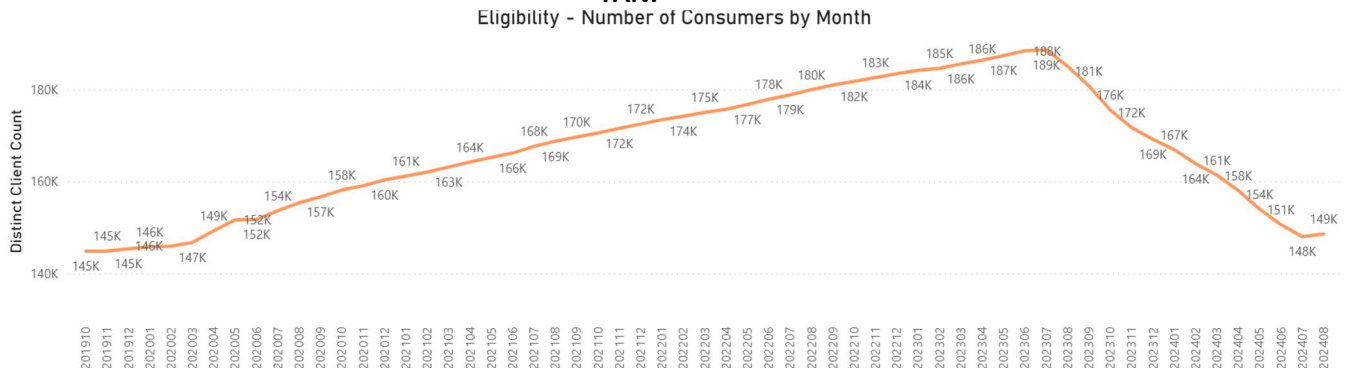
### DAB



### HMP



### TANF



- **Legal Expenses** – Below, this chart contains legal expenses of the LRE that have been billed to the LRE to date for FY2022 through FY2025.

LAKESHORE REGIONAL ENTITY LEGAL EXPENSES REPORT July 31, 2025		
12/31/2024	FY 2022 ISF LAPSE LITIGATION	4,717.50
1/31/2025	FY 2022 ISF LAPSE LITIGATION	754.00
2/28/2025	FY 2022 ISF LAPSE LITIGATION	21,489.48
3/31/2025	FY 2022 ISF LAPSE LITIGATION	6,488.50
4/30/2025	FY 2022 ISF LAPSE LITIGATION	2,691.00
5/31/2025	FY 2022 ISF LAPSE LITIGATION	15,675.75
6/30/2025	FY 2022 ISF LAPSE LITIGATION	10,969.50
<b>ISF LAPSE LITIGATION TOTAL</b>		<b>62,756.70</b>
4/30/2022	BYLAWS/OPERATING AGREEMENT	5,700.00
7/25/2022	BYLAWS/OPERATING AGREEMENT	6,500.00
<b>BYLAWS/OPERATING AGREEMENT TOTAL</b>		<b>12,200.00</b>
3/31/2025	STATE FAIR HEARINGS	10,710.00
4/30/2025	STATE FAIR HEARINGS	7,735.00
5/31/2025	STATE FAIR HEARINGS	357.00
<b>STATE FAIR HEARINGS SUPPORT TOTAL</b>		<b>18,802.00</b>
11/30/2021	COBHC SUPPORT	812.50
<b>COBHC SUPPORT TOTAL</b>		<b>812.50</b>
2/11/2022	GENERAL/OTHER	325.00
1/14/2023	GENERAL/OTHER	10,000.00
2/3/2023	GENERAL/OTHER	250.00
12/20/2023	GENERAL/OTHER	5,000.00
1/31/2024	GENERAL/OTHER	5,000.00
2/28/2024	GENERAL/OTHER	5,000.00
3/31/2024	GENERAL/OTHER	5,000.00
4/8/2024	GENERAL/OTHER	5,000.00
5/22/2024	GENERAL/OTHER	5,000.00
6/25/2024	GENERAL/OTHER	5,000.00
7/30/2024	GENERAL/OTHER	5,000.00
7/31/2024	GENERAL/OTHER	5,000.00
8/31/2024	GENERAL/OTHER	5,000.00
10/31/2024	GENERAL/OTHER	5,000.00
11/30/2024	GENERAL/OTHER	5,000.00
12/31/2024	GENERAL/OTHER	5,000.00
1/31/2025	GENERAL/OTHER	5,000.00
2/28/2025	GENERAL/OTHER	5,000.00
4/30/2025	GENERAL/OTHER	5,250.00
5/30/2025	GENERAL/OTHER	5,250.00
5/31/2025	GENERAL/OTHER	5,250.00
6/30/2025	GENERAL/OTHER	5,250.00
<b>GENERAL/OTHER TOTAL</b>		<b>106,575.00</b>
10/31/2021	HEALTHWEST LITIGATION	5,368.74
3/31/2022	HEALTHWEST LITIGATION	1,016.00
4/30/2022	HEALTHWEST LITIGATION	9,368.80
6/24/2022	HEALTHWEST LITIGATION	13,762.40
3/31/2023	HEALTHWEST LITIGATION	6,992.00
4/30/2023	HEALTHWEST LITIGATION	3,728.00
11/30/2023	HEALTHWEST LITIGATION	281.60
1/31/2024	HEALTHWEST LITIGATION	107.60
<b>HEALTHWEST LITIGATION TOTAL</b>		<b>41,663.14</b>
10/31/2021	MANAGED CARE/MDHHS CONTRACT	17,085.00
11/30/2021	MANAGED CARE/MDHHS CONTRACT	9,993.00
12/31/2021	MANAGED CARE/MDHHS CONTRACT	5,202.00
1/25/2022	MANAGED CARE/MDHHS CONTRACT	23,501.31
2/17/2022	MANAGED CARE/MDHHS CONTRACT	9,280.00
2/17/2022	MANAGED CARE/MDHHS CONTRACT	17,125.00
2/28/2022	MANAGED CARE/MDHHS CONTRACT	20,051.20
2/28/2022	MANAGED CARE/MDHHS CONTRACT	6,312.50
3/31/2022	MANAGED CARE/MDHHS CONTRACT	4,032.00
4/11/2022	MANAGED CARE/MDHHS CONTRACT	421.50
6/24/2022	MANAGED CARE/MDHHS CONTRACT	2,883.57
7/25/2022	MANAGED CARE/MDHHS CONTRACT	6,788.23
8/22/2022	MANAGED CARE/MDHHS CONTRACT	4,437.50
8/25/2022	MANAGED CARE/MDHHS CONTRACT	16,806.40
9/28/2022	MANAGED CARE/MDHHS CONTRACT	20,832.00
9/30/2022	MANAGED CARE/MDHHS CONTRACT	23,104.65
10/31/2022	MANAGED CARE/MDHHS CONTRACT	9,307.00
11/30/2022	MANAGED CARE/MDHHS CONTRACT	33,792.00
11/30/2022	EARLY PAYMENT DISCOUNT	(2,048.80)
12/31/2022	MANAGED CARE/MDHHS CONTRACT	31,494.10
1/31/2023	MANAGED CARE/MDHHS CONTRACT	25,663.40
2/28/2023	MANAGED CARE/MDHHS CONTRACT	7,472.60
3/31/2023	MANAGED CARE/MDHHS CONTRACT	3,371.20
4/30/2023	MANAGED CARE/MDHHS CONTRACT	16,563.20
5/31/2023	MANAGED CARE/MDHHS CONTRACT	5,932.00
6/30/2023	MANAGED CARE/MDHHS CONTRACT	12,537.80
7/31/2023	MANAGED CARE/MDHHS CONTRACT	7,768.80
7/31/2023	EARLY PAYMENT DISCOUNT	(3,321.04)
8/31/2023	MANAGED CARE/MDHHS CONTRACT	1,302.40
9/30/2023	MANAGED CARE/MDHHS CONTRACT	2,810.40
10/31/2023	MANAGED CARE/MDHHS CONTRACT	3,547.20
11/30/2023	MANAGED CARE/MDHHS CONTRACT	563.20
12/31/2023	MANAGED CARE/MDHHS CONTRACT	5,000.00
2/28/2024	MANAGED CARE/MDHHS CONTRACT	76.00
10/1/2024	MANAGED CARE/MDHHS CONTRACT - PIHP ISF	5,497.08
10/31/2024	MANAGED CARE/MDHHS CONTRACT - PIHP ISF	9,518.42
11/30/2024	MANAGED CARE/MDHHS CONTRACT - PIHP ISF	7,087.78
12/5/2024	MANAGED CARE/MDHHS CONTRACT - PIHP ISF	1,948.57
<b>MANAGED CARE/MDHHS CONTRACT TOTAL</b>		<b>370,653.95</b>
2/28/2023	NETWORK 180 LITIGATION	2,674.00
3/31/2023	NETWORK 180 LITIGATION	29,167.33
4/30/2023	NETWORK 180 LITIGATION	105.60
5/31/2023	NETWORK 180 LITIGATION	2,283.20
6/30/2023	NETWORK 180 LITIGATION	13,840.80
7/31/2023	NETWORK 180 LITIGATION	3,685.60
8/31/2023	NETWORK 180 LITIGATION	1,137.60
3/31/2024	NETWORK 180 LITIGATION	1,154.40
<b>NETWORK 180 LITIGATION TOTAL</b>		<b>54,028.53</b>
<b>GRAND TOTAL</b>		<b>\$ 667,491.82</b>






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**BOARD ACTION REQUEST**
**Subject: July 2025 Disbursements**

Meeting Date: August 27, 2025

**RECOMMENDED MOTION:**

To approve the July 2025 disbursements of \$43,128,236.08 as presented.

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**SUMMARY OF REQUEST/INFORMATION:**

<b><u>Disbursements:</u></b>	
Allegan County CMH	\$3,497,126.04
Healthwest	\$9,046,068.15
Network 180	\$19,786,569.47
Ottawa County CMH	\$5,325,250.49
West Michigan CMH	\$2,952,326.30
SUD Prevention Expenses	\$56,128.86
Michigan IPA Tax - Quarterly	\$1,228,041.90
SUD Public Act 2 (PA2)	\$700,593.65
Administrative Expenses	\$536,131.22
<b>Total:</b>	<b>\$43,128,236.08</b>

94.29% of Disbursements were paid to Members and SUD Prevention Services.

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

**STAFF: Stacia Chick**
**DATE: 8/14/2025**


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**Statement of Activities - Actual vs. Budget**  
**Fiscal Year 2024/2025**

As of Date: 6/30/25

	Year Ending 9/30/2025	6/30/2025		
	FY25 Budget <u>Amendment 2</u>	Budget to Date	Actual	Actual to Budget Variance
<b>Operating Revenues</b>				
Medicaid, HSW, SED, & Children's Waiver	291,312,088	218,484,066	207,623,630	(10,860,436)
DHS Incentive	471,247	353,435	118,606	(234,829)
Autism Revenue	62,113,113	46,584,835	43,929,791	(2,655,043)
Healthy Michigan	31,554,748	23,666,061	24,588,165	922,104
Performance Bonus Incentive	2,648,663	1,986,497	(60,794)	(2,047,292)
CCBHC Quality Bonus Incentive	1,745,775	1,309,331	-	(1,309,331)
Hospital Rate Adjuster (HRA)	22,574,944	16,931,208	11,287,472	(5,643,736)
Member Local Contribution to State Medicaid	1,007,548	755,661	755,661	-
Medicaid CCBHC Base Capitation	27,117,418	20,338,064	20,571,778	233,714
Healthy Michigan CCBHC Base Capitation	6,854,550	5,140,913	5,216,770	75,857
Medicaid CCBHC Supplemental Revenue	42,874,191	32,155,643	36,035,222	3,879,579
Healthy MI CCBHC Supplemental Revenue	12,877,961	9,658,471	10,474,951	816,481
Health Homes (BHH/SUDHH)	12,392	9,294	4,009	(5,285)
MDHHS Grants	11,639,110	8,729,333	5,380,726	(3,348,607)
PA 2 Liquor Tax	6,857,246	5,142,935	2,098,086	(3,044,848)
Non-MDHHS Grants: DFC	126,951	95,213	99,237	4,024
Interest Earnings	1,495,016	1,121,262	987,884	(133,378)
Miscellaneous Revenue	5,500	4,125	-	(4,125)
<b>Total Operating Revenues</b>	<b>523,288,461</b>	<b>392,466,346</b>	<b>369,111,194</b>	<b>(23,355,151)</b>
<b>Expenditures</b>				
Salaries and Fringes	5,204,362	3,903,272	3,404,388	(498,883)
Office and Supplies Expense	265,081	198,811	146,136	(52,675)
Contractual and Consulting Expenses	822,411	616,808	432,324	(184,484)
Managed Care Information System (PCE) *	365,200	273,900	201,085	(72,815)
Legal Expense *	210,000	157,500	139,157	(18,343)
Utilities/Conferences/Mileage/Misc Exps	7,055,502	5,291,627	(38,720)	(5,330,347)
Grants - MDHHS & Non-MDHHS	897,061	672,796	511,494	(161,302)
Hospital Rate Adjuster / Taxes	26,387,430	19,790,573	14,949,740	(4,840,833)
Prevention Expenses - Grant & PA2	3,308,070	2,481,053	2,291,774	(189,279)
SUD Treatment Expenses - Grants	597,180	447,885	276,023	(171,862)
CCBHC Quality Bonus Incentive	1,745,775	1,309,331	-	(1,309,331)
Member Payments - Medicaid/HMP	371,877,762	278,908,322	265,748,291	(13,160,030)
Member Payments - CCBHC Capitation	33,971,968	25,478,976	25,788,547	309,571
Member Payments - CCBHC Supplemental	55,752,152	41,814,114	40,379,538	(1,434,576)
Member Payments - PA2 Treatment	5,322,635	3,991,976	2,963,075	(1,028,902)
Member Payments - Grants	8,498,324	6,373,743	4,888,390	(1,485,353)
Local Contribution to State Medicaid	1,007,548	755,661	755,661	-
<b>Total Expenditures</b>	<b>523,288,461</b>	<b>392,466,346</b>	<b>362,836,902</b>	<b>(29,629,444)</b>
<b>Total Change in Net Assets</b>	<b>(0)</b>	<b>(0)</b>	<b>6,274,292</b>	<b>6,274,293</b>

\* The categories of Managed Care Information Systems (PCE) and Legal are Net of amounts applied to Grants

For internal use only. This report has not been audited, and no assurance is provided.



**Statement of Activities**  
**Budget to Actual Variance Report**  
**For the Period ending June 30, 2025**

**As of Date: 6/30/25**

**Operating Revenues**

Medicaid/HSW/SED/CWP	Amendment 2 reflects an increase based on the latest rate certification. MDHHS will make adjustments in July and August.
DHS Incentive	This revenue is received quarterly beginning in April.
Autism Revenue	Amendment 2 reflects an increase based on the latest rate certification. MDHHS will make adjustments in July and August.
Healthy Michigan	Amendment 2 reflects an increase based on the latest rate certification. MDHHS will make adjustments in July and August.
Performance Bonus Incentive	Unearned FY24 PBIP. FY25 Revenue will be 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 CCBHC performance metrics are met.
Hospital Rate Adjuster	FY25 payments were delayed. Quarter 3 is expected in August and Quarter 4 in December.
Member Local Match Revenue	N/A - Closely aligned with the current budget projections.
Medicaid CCBHC Base Capitation	N/A - Closely aligned with the current budget projections.
Healthy MI CCBHC Base Capitation	N/A - Closely aligned with the current budget projections.
Medicaid CCBHC Supplemental Revenue	Current projections reflect an increase. Adjustments will be made during the next amendment.
Healthy MI CCBHC Supplemental Revenue	Current projections reflect an increase. Adjustments will be made during the next amendment.
MDHHS Grants	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. Payments for quarter 3 are expected in August.
Non-MDHHS Grants: DFC	Slightly over target. Prior year carryover funds applied.
Interest Revenue	Adjustment made on amendment 2 for deposits and CD re-investments. Additional interest expected as CDs mature.
Miscellaneous Revenue	Revenue may be received throughout the year, but the budgeted amount is not guaranteed.

**Expenditures**

Salaries and Fringes	12% reduction made during amendment #2. Some expenses in this category will occur later in the fiscal year.
Office and Supplies	Some expenses are planned for later in the fiscal year and will be monitored for potential changes during the next amendment.
Contractual/Consulting	4.5% reduction made during amendment #2. Some expenses in this category will occur later in the fiscal year.
Managed Care Info Sys	Some expenses are planned for later in the fiscal year and will be monitored for potential changes during the next amendment.
Legal Expense	Under current projections. Expenses will be continue to be monitored for potential changes during the next amendment.
Utilities/Conf/Mileage/Misc	This line item includes the reallocation of LRE indirect charges to grants and the LRE's contingency fund which are offsetting current period expenditures.
Grants - MDHHS & Non-MDHHS	Some Mental Health block grants are under budget. We will monitor for regional shifts, as allowed.
HRA/Taxes	IPA & HRA taxes are paid quarterly. Third quarter HRA payment is expected in August and quarter 4 in December.
Prevention Exps - Grant/PA2	MDHHS SUD grant payments are made quarterly. PA2 billings are expected to increase during quarter 4.
CCBHC Quality Bonus	Payments are made after the end of the fiscal year if performance metrics are met.
Member Med/HMP Payments	N/A - Closely aligned with the current budget projections.
Member CCBHC Capitation	N/A - Closely aligned with the current budget projections.
Member CCBHC Supplemental	Current projections reflect a decrease. Adjustments will be made during the next amendment.
Member PA2 Tx Payments	Billings against this line item typically occur after other grant funding is applied. Billings are expected to increase during quarter 4.
Member Grant Payments	Most of these payments are billed to the LRE and paid by MDHHS 45-60 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.

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**Lakeshore Regional Entity Combined Monthly FSR Summary**  
**FY 2025**  
**June 2025 Reporting Month**  
**Reporting Date: 8/18/25**

<b>ACTUAL:</b>	<b>HealthWest</b>	<b>Network180</b>	<b>OnPoint</b>	<b>Ottawa</b>	<b>West Michigan</b>	<b>LRE</b>	<b>Total</b>
<b>Total Distributed Medicaid/HMP Revenue</b>	59,967,662	134,135,331	22,729,506	39,300,475	16,320,390	4,284,370	276,737,734
<b>Capitated Expense</b>							
Medicaid	37,023,909	102,814,131	19,110,849	29,810,650	13,314,007	3,132,472	205,206,017
Autism	5,715,635	27,754,120	1,417,837	6,852,608	1,110,861	664,262	43,515,323
Healthy Michigan	7,063,760	17,373,110	2,097,947	3,735,402	1,186,859	487,636	31,944,714
<b>Total Capitated Expense</b>	49,803,304	147,941,360	22,626,633	40,398,661	15,611,726	4,284,370	280,666,054
<b>Actual Surplus (Deficit)</b>	10,164,358	(13,806,028)	102,873	(1,098,185)	708,663	-	(3,928,320)
<b>% Variance</b>	16.95%	-10.29%	0.45%	-2.79%	4.34%	0.00%	
<b>Information regarding Actual</b> (Threshold: Surplus of 5% and deficit of 1%)	Due to the increase in Medicaid along with the retro, we saw a large increase in Revenue. We are also seeing an increase in our provider network services and costs.	Network180 is working to reduce expenditures with for services in the provider network, through inpatient diversion and utilization management. However, actual service needs continue to grow.	Less than threshold for explanation.		Less than threshold for explanation.	Less than threshold for explanation.	
<b>PROJECTION:</b>	<b>HealthWest</b>	<b>Network180</b>	<b>OnPoint</b>	<b>Ottawa</b>	<b>West Michigan</b>	<b>LRE</b>	<b>Total</b>
<b>LRE Revenue Projections as of:</b>							
June							
<b>Total Projected Medicaid/HMP Revenue</b>	75,042,667	188,056,789	31,295,096	54,737,661	22,933,744	13,922,556	385,988,513
	-	-	-	0	0	-	-
<b>Total Capitated Expense Projections</b>	66,404,405	195,779,627	31,586,325	54,792,880	21,363,297	13,922,556	383,849,091
<b>Projected Surplus (Deficit)</b>	8,638,261	(7,722,838)	(291,229)	(55,219)	1,570,447	-	2,139,422
<b>% Variance</b>	11.51%	-4.11%	-0.93%	-0.10%	6.85%	0.00%	
<b>Information regarding Projections</b> (Threshold: Surplus of 5% and deficit of 1%)	Due to the above, the positive variance in our projection has grown	Network180 is working to reduce expenditures with for services in the provider network, through inpatient diversion and utilization management. However, actual service needs continue to grow. Actual experience has also shifted our daily visit projections for the year, which shifts capitation dollars to CCBHC, further increasing this deficit.	Less than threshold for explanation.	Less than threshold for explanation.	Increased capitated revenue and delays in filling open positions.	Less than threshold for explanation.	
<b>PROPOSED SPENDING PLAN:</b>	<b>HealthWest</b>	<b>Network180</b>	<b>OnPoint</b>	<b>Ottawa</b>	<b>West Michigan</b>	<b>LRE</b>	<b>Total</b>
<b>Submitted to the LRE as of:</b>							
11/13/2024			11/18/2024	8/14/2025	6/18/2025		
<b>Total Budgeted Medicaid/HMP Revenue</b>	70,516,979	172,798,914	29,463,833	54,747,573	21,363,297	13,922,556	362,813,152
<b>Total Budgeted Capitated Expense</b>	68,930,569	172,798,914	29,731,448	55,882,436	21,363,297	13,922,556	362,629,220
<b>Budgeted Surplus (Deficit)</b>	1,586,410	0	(267,615)	(1,134,863)	-	-	183,932
<b>% Variance</b>	2.25%	0.00%	-0.91%	-2.07%	0.00%	0.00%	
<b>Information regarding Spending Plans</b> (Threshold: Surplus of 5% and deficit of 1%)	Less than threshold for explanation.	Less than threshold for explanation.	Spec Res and Autism trending up - proj surplus CCBHC revs	Specialized Residential and Autism trending up - projected surplus CCBHC revs	Less than threshold for explanation.	Less than threshold for explanation.	
<b>Variance between Projected and Proposed Spending Plan</b>	7,051,852	(7,722,838)	(23,614)	1,079,644	1,570,447	-	1,955,490
<b>% Variance</b>	10.00%	-4.47%	-0.08%	1.97%	7.35%	0.00%	
<b>Explanation of variances between Projected and Proposed Spending Plan</b> (Threshold: Surplus of 5% and deficit of 1%)	Due to the large increase in revenue from our spending plan. We are seeing our variance grow	Network180 is experiencing increase demands in autism and specialized residential services beyond available revenue.	Less than threshold for explanation.	Less than threshold for explanation.	Increased capitated revenue and delays in filling open positions.	Less than threshold for explanation.	



**Lakeshore Regional Entity Combined Monthly FSR Summary**  
**FY 2025**  
**June 2025 Reporting Month**  
**Reporting Date: 8/18/25**

CCBHC ACTIVITY							
ACTUAL:	HealthWest	Network180	OnPoint	Ottawa	West Michigan	LRE	Total
Total Distributed Medicaid/HMP CCBHC Revenue	20,053,739	25,449,491	6,734,107	5,775,405	9,231,052	813,023	68,005,316
Total CCBHC Expense	20,278,956	21,099,517	6,518,449	5,624,407	9,211,841	91,291	62,824,461
Actual CCBHC Surplus (Deficit)*	(225,217)	4,349,973	215,658	150,998	19,211	721,732	5,180,855
% Variance	-1.12%	17.09%	3.20%	2.61%	0.21%	88.77%	
Information regarding CCBHC Actual (Threshold: Surplus of 5% and deficit of 1%)	Expenses increased greater in the month of June. HW continues to monitor this within our KATA	Network180 has seen increases in daily visits that are closer to original projections, leading to a YTD surplus.	Less than threshold for explanation.	Less than threshold for explanation.	Less than threshold for explanation.	Surplus is used to cover PIHP administration on traditional capitation administration expenses.	
PROJECTION:	HealthWest	Network180	OnPoint	Ottawa	West Michigan	LRE	Total
Total Projected Medicaid/HMP CCBHC Revenue	25,124,188	31,924,870	9,552,618	8,780,989	12,266,973	1,084,031	88,701,453
Total CCBHC Expense Projections	27,038,608	28,372,199	9,082,488	8,365,831	12,900,346	121,721	85,881,193
Projected CCBHC Surplus (Deficit)*	(1,914,420)	3,552,671	470,130	415,158	(633,373)	962,310	2,820,260
% Variance	-7.62%	11.13%	4.92%	4.73%	-5.16%	88.77%	
Information regarding CCBHC Projections (Threshold: Surplus of 5% and deficit of 1%)	Expense projections grew by 0.42% in June. HW continues to monitor this within our KATA	Actual experience has shifted our daily visit projections for the year, which shifts capitation dollars to CCBHC.	Less than threshold for explanation.	Less than threshold for explanation.	WM is expecting a shortfall in CCBHC based on the current PPS1 rates.	Surplus is used to cover PIHP administration on traditional capitation administration expenses.	
PROPOSED SPENDING PLAN:	HealthWest	Network180	OnPoint	Ottawa	West Michigan	LRE	Total
Submitted to the LRE as of:	11/13/2024	11/15/2024	11/18/2024	8/14/2025	6/18/2025		
Total Budgeted Medicaid/HMP CCBHC Revenue	25,124,188	35,460,199	9,075,362	8,780,989	12,266,973	1,084,031	91,791,742
Total Budgeted CCBHC Expense	25,947,194	35,439,088	8,900,770	8,780,989	12,900,346	121,721	92,090,108
Budgeted Surplus (Deficit)*	(823,006)	21,111	174,592	-	(633,373)	962,310	(298,366)
% Variance	-3.28%	0.06%	1.92%	0.00%	-5.16%	88.77%	
Information regarding CCBHC Spending Plans (Threshold: Surplus of 5% and deficit of 1%)	Based on historical, HW planned a negative variance.	Less than threshold for explanation.	Less than threshold for explanation.	Less than threshold for explanation.	WM is expecting a shortfall in CCBHC based on the current PPS1 rates.	Surplus is used to cover PIHP administration on traditional capitation administration expenses.	
Variance between CCBHC Projected and Proposed Spending Plan	(1,091,414)	3,531,560	295,538	415,158	0	-	3,118,626
% Variance	-4.34%	9.96%	3.26%	4.73%	0.00%	0.00%	
Explanation of variances between CCBHC Projected and Proposed Spending Plan (Threshold: Surplus of 5% and deficit of 1%)	HW took a step back by 0.41%. We will continue to work on our KATA to improve for YE	Actual experience has shifted our daily visit projections for the year, which shifts capitation dollars to CCBHC.	Less than threshold for explanation.	Less than threshold for explanation.	Less than threshold for explanation.	Less than threshold for explanation.	

\*CCBHC Surpluses are retained by the CCBHC and not the PIHP. CCBHC Deficits are the responsibility of the CCBHC and not the PIHP.

**Lakeshore Regional Entity**  
**FY2025 FSR Monthly Comparison of Surplus/(Deficit) Detail**  
**(Excluding CCBHC)**

June 2025 Reporting Month  
Reporting Date: 8/18/25

ACTUAL:	HealthWest	Network180	OnPoint	Ottawa	West Michigan	Total
Distributed Medicaid/HMP						
Medicaid/HMP	5,956,106	(8,489,179)	(2,142,000)	(526,923)	(762,012)	(5,964,008)
Autism	4,208,252	(5,316,850)	2,244,873	(571,262)	1,470,675	2,035,688
Total Distributed Medicaid/HMP Revenue	10,164,358	(13,806,028)	102,873	(1,098,185)	708,663	(3,928,320)
PROJECTION:	HealthWest	Network180	OnPoint	Ottawa	West Michigan	Total
Distributed Medicaid/HMP						
Medicaid/HMP	3,499,608	576,380	(3,386,802)	(69,776)	(1,083,015)	(463,606)
Autism	5,138,654	(8,299,218)	3,095,573	14,557	2,653,462	2,603,028
Total Distributed Medicaid/HMP Revenue	8,638,261	(7,722,838)	(291,229)	(55,219)	1,570,447	2,139,422