
Meeting Agenda
BOARD OF DIRECTORS
Lakeshore Regional Entity
February 25, 2026 – 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.
 - February 25, 2026, Board of Directors meeting agenda (*Attachment 1*)
 - December 17, 2025, Board of Directors meeting minutes (*Attachment 2*)
5. ISF Analysis – Jason Stading, Wakely (*Attachment 3*)
6. Reports –
 - a. CEO – Ms. Marlatt-Dumas (*Attachment 4*)
 - b. LRE Leadership (*Attachment 5*)
 - i. Residential Assessment – Erin Barbus/Lynne Doyle
 - ii. QAPIP Annual Effectiveness Review /SUD Treatment and Prevention/
Veteran Navigator Update – Stephanie VanDerKooi
7. Chairperson’s Report – Ms. Gardner (*Attachments 6, 7*)
 - a. January 21 and February 18, 2026, Executive Committee
 - 2025 CEO Evaluation and 2026 Goals
8. Investigate Alternative Funding Methodologies – Bob Davis (*Attachment 8*)
9. Action Items –
 - a. Our Hope Association (*Attachments 9*)
Suggested Motion: To approve the agreement listed in Attachment 9
10. Financial Report and Funding Distribution – Ms. Chick (*Attachment 10*)
 - a. FY2026, December and January Funds Distributions (*Attachments 11, 12*)
Suggested Motion: To approve the FY2026, December and January Funds Distribution as presented.
 - b. Statement of Activities as of 11/30/2025 and 12/31/2025 with Variance Reports (*Attachments 13, 14*)
 - c. Monthly FSR (*Attachments 15, 16*)

11. Board Member Comments

12. Public Comment

13. Upcoming LRE Meetings

- March 12, 2026 – LRE Community Advisory Panel, 1:00 PM
- March 18, 2026 – Executive Committee, 1:00 PM
- March 25, 2026 – LRE Executive Board Work Session, 11:00 AM
GVSU, Muskegon Innovation Hub, 200 Viridian Dr, Muskegon, MI 49440
- March 25, 2026 – LRE Executive Board Meeting, 1:00 PM
GVSU, Muskegon Innovation Hub, 200 Viridian Dr, Muskegon, MI 49440

14. Adjourn

Meeting Minutes
BOARD OF DIRECTORS

Lakeshore Regional Entity
December 17, 2025 – 1:00 PM

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

WELCOME AND INTRODUCTIONS – Ms. Gardner

Ms. Gardner called the December 17, 2025, LRE Board meeting to order at 1:01 PM.

ROLL CALL/CONFLICT OF INTEREST QUESTION – Ms. Thomas

In Attendance: Ron Bacon, Bob Davis, Patricia Gardner, O’Nealya Gronstal, Janice Hilleary, Richard Kanten, Alice Kelsey, Dave Parnin, Stan Stek, Janet Thomas, Craig Van Beek

Online: Jim Storey

Absent: Jon Campbell, Andrew Sebolt

PUBLIC COMMENT

No public comment.

CONSENT ITEMS:

LRE 25-48 Motion: To approve by consent the following items.

- December 17, 2025, Board of Directors meeting agenda
- November 19, 2025, Board of Directors meeting minutes

Moved: Ron Bacon

Support: Janet Thomas

MOTION CARRIED

CONSUMER ADVISORY PANEL (CAP)

The December 11, 2025, CAP meeting minutes are included in the packet for information.

LEADERSHIP BOARD REPORTS

a. CEO Report

- LRE compiled and shared a list of issues related to CCBHC. MDHHS has indicated they will not meet directly with LRE but will forward the concerns to their subject matter experts for review.
- LRE is currently awaiting a judgment regarding the PIHP system procurement. Judge Yates had anticipated issuing an opinion this week.

b. COO Report

The COO report is included in the packet.

i. Legislative Advocacy.

- Oversight Policy Board – [12/10/2025 Full Packet](#)

- Letter to Representatives: The Oversight Policy Board has requested that the full Board be added to a letter in support of prohibiting the use of billboards for the sale of marijuana.

LRE 25-49 Motion: To approve sending a letter to representatives in support of legislation prohibiting the use of billboards for the sale of marijuana.

Moved: Richard Kanten Support: Stan Stek
MOTION CARRIED

CHAIRPERSON'S REPORT

December 10, 2025, Executive Committee meeting minutes are included in the packet for information.

- The Executive Committee received an update regarding the litigation around the procurement of the PIHP system.
- The CEO evaluation will be distributed via DocuSign. Ms. Dumas will complete and circulate a narrative providing an update on her progress of her 2025 evaluation goals.
- The Board members Conflict of Interest will be sent out through DocuSign.

ACTION ITEMS

NA

FINANCIAL REPORT AND FUNDING DISTRIBUTION

CFO Report is included in the Board packet for information.

FY2026 November Funds Distribution

LRE 25-50 Motion: To approve the FY2026, November Funds Distribution as presented.

Moved: Janet Thomas Support: Ron Bacon
MOTION CARRIED

LRE FY2026 Budget Amendment #1

LRE 25-51 Motion: To approve LRE FY2026 Budget Amendment #1.

Moved: Ron Bacon Support: Dave Parnin
MOTION CARRIED

Statement of Activities as of 10/31/2025 with Variance Report-

Included in the Board packet for information.

- Ms. Chick updates that the revenue figures will change due to the budget amendment that was approved during the December board meeting.

BOARD MEMBER COMMENTS

- Ms. Gardner noted that the Board will receive communication from Ms. Dumas once Judge Yates issues his opinion. An additional Executive Committee meeting may be scheduled if this occurs. Happy Holidays.
- Mr. Davis expressed appreciation for the professionalism he has experienced since becoming an LRE Board member and extended happy holiday wishes.

PUBLIC COMMENT

- Jacquie Johnson, Executive Director, Thresholds, expressed concern about the 12% swing in Medicaid and inquired about LRE's plan to address it. She also noted concern about the decrease in the DABs population, which impacts a significant funding source.

UPCOMING LRE MEETINGS

- January 21, 2026 – Executive Committee, 1:00PM
- January 28, 2026 – LRE Executive Board Work Session, 11:00 AM
[GVSU, Muskegon Innovation Hub, 200 Viridian Dr, Muskegon, MI 49440](#)
- January 28, 2026 – LRE Executive Board Meeting, 1:00 PM
[GVSU, Muskegon Innovation Hub, 200 Viridian Dr, Muskegon, MI 49440](#)

ADJOURN

Ms. Gardner adjourned the December 17, 2025, LRE Board of Directors meeting at 1:57 PM.

Ron Bacon, Board Secretary

Minutes respectfully submitted by:
Marion Moran, Executive Assistant



Lakeshore Regional Entity Internal Services Fund Analysis

PRESENTED BY:

Jason Stading, FSA MAAA
Jason.stading@cirdanhealth.com

Elliot McLeRoy, ASA MAAA
elliott.mcleroy@wakely.com

Going Beyond the Numbers

Sections

- Section 1: Background
- Section 2: Assumptions and Methodology
- Section 3: Results and Recommendations
- Appendix (Exhibits)

Section 1

Background

Section 1: Background

- The Internal Services Fund (ISF) was established by the state so that regional PIHPs could set aside funds for adverse deviations in expected claims experience
- The total ISF has been contractually capped at 7.5% of annual revenue

Section 2

Assumptions and Methodology

Section 2: Assumptions and Methodology

- In analyzing the needs of the ISF, the model utilizes several assumptions in three scenarios (Baseline, Pessimistic, and Optimistic):
 1. Projected Base Rate Changes
 2. Projected Claims Costs
 3. Projected Regional Entity Factor Changes
 4. Projected Admin/Non-Benefit Expense Costs

Section 2: Assumptions and Methodology

<u>Model Input</u>	<u>Baseline</u>	<u>Optimistic</u>	<u>Pessimistic</u>
Rate Change	2.0%	4.0%	0.0%
Claims Change	3.0%	2.0%	4.0%
Admin Increase	3.0%	1.0%	5.0%
Risk Score Change	N/A	N/A	N/A

- A key driver in the results is the combination of the rate change and the claims change. For example, in the optimistic scenario, the projected claims are expected to increase by 2% annually compared to the expected annual rate increase of 4%.
- Overall, the risk score change (or Regional Entity Factor) has been decreasing for LRE. However, beginning in SFY 2026, rates are regionally set and there is no longer a Regional Entity Factor. This assumption is no longer needed moving forward.

Section 2: Assumptions and Methodology

- The modeling assumes the decrease in enrollment due to the end of the PHE is fully captured in the reported enrollment numbers. No additional membership decreases were forecasted.
- Starting in SFY 2026, CCBHC costs are fully carved out and they are not being considered in the projections for this ISF analysis. However, they are still included in the numbers for SFY 2024 and SFY 2025.
- Projected claims costs are modeled using a bootstrapping methodology.
 - 1,000 scenarios are run to develop a statistical distribution based on the assumptions outlined above in each scenario.
 - This distribution is used to develop a range of potential outcomes associated with various confidence levels, shown in the Appendices.

Section 2: Assumptions and Methodology

- The results discussed in Section 3 focus on the 50% confidence level, though it is important to note that in any given year there could be adverse experience leading to higher expected costs than modeled.
- Results also focus on a three-year time horizon to determine what level the ISF should be funded at to reasonably cover future expected operating deficits.

Section 3

Results and Recommendations

Section 3: Results and Recommendations

- Based on a three-year time horizon at a 50% probability using the baseline assumptions, the modeling projects that there could be a total overall loss of roughly \$21.4 million (requiring the ISF to be funded at roughly 5.0% to cover these losses).
- However, it is important to note that any one year of more unfavorable results could significantly impact overall results.
 - For instance, if SFY 2027 results are more in line with the pessimistic scenario, overall losses in the three-year time horizon would increase to nearly \$37 million.

Section 3: Results and Recommendations

- Recommendation:
 - To the extent allowable by the contract, our recommendation would be to fund the ISF to at least an average of the 50% probability threshold of the Baseline and Pessimistic scenarios:
 - Recommended Funding Level = **\$41.4 million**
 - This results in an ISF funding percentage of 9.7% based on the interim SFY 2025 FSR.
 - While the recommended level exceeds the 7.5% ISF cap (which equates to a cap of \$32.1M), it aligns with the modeled distribution of possible results and supports maximizing the ISF within contract limits.

Appendix

Exhibits

Exhibit A - Baseline

	Historical	Projected					
	SFY 2024	SFY 2025	SFY 2026	SFY 2027			
A	Member Months:	3,498,332	3,132,243	3,021,703	3,051,920		
B	Gross Revenue (\$M):	\$447.7	\$502.10	\$431.84	\$444.88		
C	HRA/IPA (\$M):	\$22.1	\$24.84	\$21.4	\$22.0		
D	Net Effective Revenue (\$M):	\$425.5	\$477.3	\$410.5	\$422.9		
E	Administrative Costs (\$M):	\$60.6	\$67.9	\$70.0	\$72.1		
F	Revenue Available for MH/SA Treatment Costs:	\$365.0	\$409.3	\$340.5	\$350.8		
	Gross Revenue (\$PMPM):	\$127.97	\$160.30	\$142.91	\$145.77		
	HRA/IPA (\$PMPM):	\$6.33	\$7.93	\$7.07	\$7.21		
	Net Effective Revenue (\$PMPM):	\$121.64	\$152.37	\$135.84	\$138.56		
	Administrative Costs (\$PMPM):	\$17.31	\$21.68	\$23.15	\$23.61		
	Revenue Available for MH/SA Treatment Costs (\$PMPM):	\$104.33	\$130.69	\$112.69	\$114.95		
G	MH/SA Treatment Costs (\$PMPM):						
	Expected (50% Probability Threshold):	\$113.20	\$137.49	\$112.71	\$114.97		
	70.0% Probability Threshold:		\$141.15	\$115.49	\$117.80		
	95.0% Probability Threshold:		\$148.97	\$121.42	\$123.85		
H	MH/SA Treatment Total Costs (\$M):						
	Expected (50% Probability Threshold):	\$396.0	\$430.7	\$340.6	\$350.9		
	70.0% Probability Threshold:		\$442.1	\$349.0	\$359.5		
	95.0% Probability Threshold:		\$466.6	\$366.9	\$378.0		
I	Surplus / Deficit (\$M):					Cumulative Surplus/Deficit	ISF Need
	Expected (50% Probability Threshold):	(\$31.0)	(\$21.3)	(\$0.1)	(\$0.1)	(\$21.4)	5.0%
	70.0% Probability Threshold:		(\$32.8)	(\$8.5)	(\$8.7)	(\$49.9)	11.7%
	95.0% Probability Threshold:		(\$57.3)	(\$26.4)	(\$27.2)	(\$110.8)	25.9%

Exhibit B - Optimistic

	Historical	Projected					
	SFY 2024	SFY 2025	SFY 2026	SFY 2027			
A	Member Months:	3,498,332	3,132,243	3,054,066	3,145,688		
B	Gross Revenue (\$M):	\$447.7	\$502.10	\$436.46	\$467.54		
C	HRA/IPA (\$M):	\$22.1	\$24.84	\$21.6	\$23.1		
D	Net Effective Revenue (\$M):	\$425.5	\$477.3	\$414.9	\$444.4		
E	Administrative Costs (\$M):	\$60.6	\$67.9	\$68.6	\$69.3		
F	Revenue Available for MH/SA Treatment Costs:	\$365.0	\$409.3	\$346.3	\$375.1		
	Gross Revenue (\$PMPM):	\$127.97	\$160.30	\$142.91	\$148.63		
	HRA/IPA (\$PMPM):	\$6.33	\$7.93	\$7.07	\$7.35		
	Net Effective Revenue (\$PMPM):	\$121.64	\$152.37	\$135.84	\$141.28		
	Administrative Costs (\$PMPM):	\$17.31	\$21.68	\$22.46	\$22.03		
	Revenue Available for MH/SA Treatment Costs (\$PMPM):	\$104.33	\$130.69	\$113.38	\$119.25		
G	MH/SA Treatment Costs (\$PMPM):						
	Expected (50% Probability Threshold):	\$113.20	\$133.41	\$109.37	\$113.74		
	70.0% Probability Threshold:		\$136.96	\$112.06	\$116.54		
	95.0% Probability Threshold:		\$144.55	\$117.82	\$122.53		
H	MH/SA Treatment Total Costs (\$M):						
	Expected (50% Probability Threshold):	\$396.0	\$417.9	\$334.0	\$357.8		
	70.0% Probability Threshold:		\$429.0	\$342.2	\$366.6		
	95.0% Probability Threshold:		\$452.8	\$359.8	\$385.4		
I	Surplus / Deficit (\$M):					<i>Cumulative Surplus/Deficit</i>	<i>ISF Need</i>
	Expected (50% Probability Threshold):	(\$31.0)	(\$8.5)	\$12.3	\$17.3	\$21.1	0.0%
	70.0% Probability Threshold:		(\$19.6)	\$4.0	\$8.5	(\$7.1)	1.7%
	95.0% Probability Threshold:		(\$43.4)	(\$13.5)	(\$10.3)	(\$67.3)	15.7%

Exhibit C - Pessimistic

	Historical	Projected					
	SFY 2024	SFY 2025	SFY 2026	SFY 2027			
A	Member Months:	3,498,332	3,132,243	3,005,448	3,005,448		
B	Gross Revenue (\$M):	\$447.7	\$502.10	\$429.52	\$429.52		
C	HRA/IPA (\$M):	\$22.1	\$24.84	\$21.2	\$21.2		
D	Net Effective Revenue (\$M):	\$425.5	\$477.3	\$408.3	\$408.3		
E	Administrative Costs (\$M):	\$60.6	\$67.9	\$71.3	\$74.9		
F	Revenue Available for MH/SA Treatment Costs:	\$365.0	\$409.3	\$337.0	\$333.4		
	Gross Revenue (\$PMPM):	\$127.97	\$160.30	\$142.91	\$142.91		
	HRA/IPA (\$PMPM):	\$6.33	\$7.93	\$7.07	\$7.07		
	Net Effective Revenue (\$PMPM):	\$121.64	\$152.37	\$135.84	\$135.84		
	Administrative Costs (\$PMPM):	\$17.31	\$21.68	\$23.73	\$24.92		
	Revenue Available for MH/SA Treatment Costs (\$PMPM):	\$104.33	\$130.69	\$112.11	\$110.93		
G	MH/SA Treatment Costs (\$PMPM):						
	Expected (50% Probability Threshold):	\$113.20	\$141.57	\$116.06	\$116.06		
	70.0% Probability Threshold:		\$145.34	\$118.92	\$118.92		
	95.0% Probability Threshold:		\$153.40	\$125.03	\$125.03		
H	MH/SA Treatment Total Costs (\$M):						
	Expected (50% Probability Threshold):	\$396.0	\$443.4	\$348.8	\$348.8		
	70.0% Probability Threshold:		\$455.2	\$357.4	\$357.4		
	95.0% Probability Threshold:		\$480.5	\$375.8	\$375.8		
I	Surplus / Deficit (\$M):					<i>Cumulative Surplus/Deficit</i>	<i>ISF Need</i>
	Expected (50% Probability Threshold):	(\$31.0)	(\$34.1)	(\$11.9)	(\$15.4)	(\$61.4)	14.3%
	70.0% Probability Threshold:		(\$45.9)	(\$20.5)	(\$24.0)	(\$90.4)	21.1%
	95.0% Probability Threshold:		(\$71.1)	(\$38.8)	(\$42.4)	(\$152.3)	35.6%

Qualifications/Reliances/Limitations

Jason Stading is a fellow of the Society of Actuaries and meets the qualification requirements of the American Academy of Actuaries to provide the opinions that are included within this communication. To prepare this communication, Wakely/Cirdan relied on data provided by Lakeshore Regional Entity (LRE). While we have reviewed the data for reasonableness, we have not completed any audit of the data provided. This communication was prepared for LRE for the purpose of analyzing the Internal Services Fund. Distribution to parties outside of LRE should not be made without permission from Wakely/Cirdan. If this communication is further distributed within LRE, it should be shared in its entirety.

CEO Report
February 25th, 2026

Every day is a good day but today is a Great Day to be a part of the Lakeshore Regional Entity!

1. PIHP REGIONAL UPDATE

- **FY22 Cost Settlement**

The LRE with LRE's legal counsel have not filed the lawsuit at present time. LRE's counsel alongside the Attorney General's (AG) office continues to work towards a resolution, without filing a lawsuit. MDHHS did take \$4.8 million out of the region's HSW payment, however, have agreed to not recoup any more of the \$13.7 million without a 21-day notice. This will allow the LRE counsel time to file the lawsuit in the court of claims if necessary. LRE counsel has been communicating with the AG to determine if MDHHS is considering the information that the LRE presented to them or if both parties are at an impasse. AG filed a motion for summary disposition of the complaint on July 13th and confirmed that LRE will not consent to dismissal. LRE counsel had until August 13 to respond. Motion of Summary Disposition has been fully briefed. Waiting for the ruling from court.

LRE continues to wait for the Court's decision on the motion. There has been no explanation for the delay, and legal has no ability to influence the timing. While LRE legal could request a status conference, the value of doing so is unclear.

Cons: increased legal costs, the possibility of an unfavorable ruling, and the immediate recoupment of funds.

Pros: obtaining a definitive answer, however, if the RFP proceeds, MDHHS would ultimately recoup the funds regardless.

Given these factors, the potential benefits do not appear to outweigh the associated risks.

UPDATE: No further update.

- **Insurance Provider Assessment (IPA)**

No Update this month. Further updates will be in the Finance Officer report.

- **FY25 MDHHS/PIHP Contract Lawsuit**

- Four of the five PIHPs that did not sign the original contract filed a complaint against MDHHS. The Motion of Summary Disposition has been fully briefed and those PIHPs are currently waiting for either oral argument or a ruling from the court.

- LRE redlined and signed the FY25 PIHP/MDHHS contract, however, did not join the lawsuit mentioned above.
- The lawsuit filed by the other 4 PIHPs has not had any movement in the courts since May 2025.

UPDATE: The lawsuit has been assigned to Judge Patel, one of the judges serving on the Court of Claims. She was the judge assigned to the case at the time it was originally filed. With the case now formally before her, we anticipate movement in the near future. There are two potential next steps:

1. The Court may issue a ruling on the complaint based on the filings submitted, or
2. The Court may schedule oral arguments before making a determination.

We will continue to monitor the matter closely and provide updates as they become available.

- **Certified Community Behavioral Health Clinic (CCBHC)**

The CCBHC responsibilities as of October 1, 2025, have been transferred to the CCBHCs in the region, which for region 3 means all CMHs. This has created some challenges as the state did not have all the areas resolved before the transfer took place, such as BHTEDS, Customer Services, Grievance and Appeals, State Fair Hearings, etc. This creates challenges as the LRE is not receiving any revenue in FY26 to help resolve these matters.

UPDATE: The CCBHC initiative continues to present significant challenges for LRE staff as they work to troubleshoot a growing number of issues with the CMHSPs. In response, LRE reached out to MDHHS and submitted a comprehensive 19-page questionnaire outlining our concerns and requests for clarification. Unfortunately, the responses received from MDHHS were not particularly helpful, as many simply referred back to the CCBHC Manual rather than directly addressing the specific questions posed.

An initial meeting between LRE and MDHHS was scheduled for January 27, however, MDHHS canceled that meeting. It has since been rescheduled for February 24, 2026, and we are hopeful this discussion will provide more direct guidance and resolution to the outstanding issues. We will continue to advocate for clear direction and keep the Board informed as progress is made.

- LRE Board Member Request

LRE leadership received an email on February 2nd, 2026, from Board of Directors member Bob Davis. The purpose of the email was to request that the LRE Board direct Lakeshore Regional Entity leadership to analyze and report on the feasibility, fiscal impact, and compliance considerations associated with transitioning from a Per-Enrollee-Per-Month (PEPM) funding model to a needs-based reimbursement model for Medicaid behavioral health services. Since the time of this request the following actions have taken place.

- LRE and CMH leadership have initiated discussions and are currently in the planning stages of the proposed analysis.

In alignment with the CMH directors/CEOs, the LRE CEO has engaged with Region 10 to explore its needs-based funding model and the potential to adapt that framework for use within Region 3. The intent would be to utilize the Region 10 model structure, with revisions applied to reflect the specific data and historical utilization trends of Region 3.

Those revisions would include actuarial analysis by Wakely Consulting Group to incorporate Region 3 historical trends and data to ensure the model is appropriately calibrated and regionally relevant.

The associated costs are currently being explored, with the preliminary proposed plan being to share expenses with Region 10. This information is newly developed and will be further discussed with the CMH

Directors/CEOs at the next Ops meeting. Additional details will be provided to the Board as they become available.

2. STATE OF MICHIGAN/STATEWIDE ACTIVITIES

- PIHP RFP Rebid

- MDHHS Responses to the RFP questions have been received and shared with the LRE BOD.
- Deadline for submission has been extended to October 13, 2025.
- Three PIHPs and three CMHs have filed a lawsuit against MDHHS regarding the PIHP RFP and are seeking preliminary injunctive relief. In response, MDHHS argued that the current timeline must proceed, as no MCO providers would be in place after September 30, 2025.

However, all PIHPs have confirmed their ability and willingness to continue providing services as of October 1, 2025. This strengthens the case for a preliminary injunction, allowing time to develop a more effective plan for system reform. A hearing was held on October 9, with a ruling on October 14th. Summary of the outcome, the judge ruled:

1. MDHHS is allowed to move from sole source to competitive procurement.
 2. MDHHS is allowed to decide if they want 10 PIHPs, 3 PIHPs or however many they choose.
 3. The RFP may violate the mental health code by removing the manage care functions from the CMHSPs to the new PIHPs. The Court's opinion on the motion for preliminary injunction states: "Here, although the Court has not yet granted plaintiffs any declaratory relief, the possibility of such an outcome is significant, and the Court will act expeditiously to address what remains of the complaint seeking a declaratory judgment."
- An additional lawsuit was filed by 5 CMHs on October 16th, 2025, and has been assigned to Judge Yates as well.

UPDATE: MDHHS has formally cancelled the RFP. Following the cancellation, MDHHS contacted the PIHPs and CMHs that filed the lawsuit to inquire whether they intended to withdraw the complaint in light of the RFP being rescinded. The parties have elected not to dismiss the lawsuit. Dismissing the case would close the matter entirely, allowing MDHHS to potentially initiate a new RFP process without court oversight. By keeping the lawsuit active, Judge Yates retains jurisdiction over the case.

There are indications that MDHHS may be working to develop a new RFP. Should a new RFP be issued, the parties involved in the lawsuit will need to carefully review its contents to determine whether it violates any applicable statutes or regulations, including provisions of the Michigan Mental Health Code. If concerns arise, those issues would be filed with the Court of Claims, and Judge Yates would continue to oversee the matter. LRE will continue to monitor developments closely and provide updates as additional information becomes available

Legislative Update: Legislative report is in the Board materials

Other:

CMHA Board Association Winter Conference was held February 2-4, 2026, in Kalamazoo. The conference was outstanding, highlighted by an exceptional pre-conference session focused on agency pre-readiness assessment for artificial intelligence. The session provided valuable insight into how organizations can evaluate their current infrastructure, policies, data governance, workforce capacity, and risk management practices before implementing AI solutions. It was a timely and practical discussion, reinforcing the importance of thoughtful planning and structured readiness assessments prior to adopting AI technologies within our agencies.

Report by Mary Marlatt-Dumas, CEO, Lakeshore Regional Entity



Lakeshore Regional Entity’s Legislative Update – 2/18/2025



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) and/or the LRE

Highlight = Artificial Intelligence – New Section

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

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	Operations 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 9/4/25: Read a third time, passed House 9/9/25: Referred to Senate Committee on Housing and Human Services
	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

BILLS & REGULATIONS PERTAINING TO MENTAL HEALTH

Priority	BILL #	SUMMARY	SPONSOR	ACTION DATE
				Housing and Human Services (143) 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 9/4/25: Read a third time, passed House 9/9/25: Referred to Senate Committee on Housing and Human Services
	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 10/28/2025: <i>Committee Hearing in House</i> 12/9/25: Referred to a second Reading
	HB 4535	Modifies eligibility for mental health court.	Kara Hope	6/3/2025: Introduced, read a first time, referred to Committee on Judiciary 10/28/2025: <i>Committee Hearing in House</i>
	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

BILLS & REGULATIONS PERTAINING TO MENTAL HEALTH

Priority	BILL #	SUMMARY	SPONSOR	ACTION DATE
	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 9/9/2025: Referred to Committee of the Whole with Substitute
	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 9/10/25: Read a second time
	HCR 1	Adverse Childhood Experiences: A concurrent resolution to urge the Governor of Michigan to issue an executive directive that would require administrating agencies to assess if the implementation of their programs reduce Adverse Childhood Experiences (ACEs) and provide an annual report and data to the Legislature and general public about progress in reducing ACEs in Michigan.	Douglas Wozniak	8/19/2025 – Introduced, Referred to the Committee on Families and Veterans 10/28/2025 – Committee Hearing, Reported with Recommendation without amendment
	HB 5334	A bill to amend the Mental Health Code to require assessment by preadmission screening unit of individual being considered for hospitalization within certain period after notification	Matt Bierlein	12/2/2025 – Introduced, read a first time, referred to the Committee on Health Policy
	HB 4968	<i>The bill would amend the Insurance Provider Assessment Act to allow the Department of Health and Human Services (DHHS) to continue assessing the current, federally-approved insurance provider assessment unless the Federal Centers for Medicare and Medicaid Services (CMS) ended the current Federal approval.</i>	Greg VanWoerkem	9/16/2025 – Introduced, read a first time, referred to the Committee on Appropriations 9/25/2025 – Read a second time, third time, 9/29/2025 – Passed the House, Sent to Senate Referred to Committee of the Whole, 10/2/2025 - Placed on Immediate Passage, returned to House 10/7/2025 – Approved by the Governor. Assigned PA 25'25 with Immediate Effect
	HB 5044	By July 1, 2026, every school district, intermediate school district, and public-school academy board must develop and adopt a policy allowing students with a prescription, recommendation, or order from a private health care specialist to receive medically necessary treatment while at school, in compliance with state and federal laws Upon request, designated school personnel must meet with the student, family, and health care representatives within 30 days to determine how and when treatment will be provided. Treatment must be allowed unless it imposes a fundamental alteration or undue burden on the school.	Pauline Wendzel	9/24/2025 – Introduced, Read a first time, referred to the Committee on Education and Workforce

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. *PLEASE SEE THE MISCELLANEOUS UPDATES SECTION BELOW FOR MORE INFORMATION*	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 9/18/2025 – Committee Meeting 10/6/2025 – Reported favorably without amendment, referred to the Committee of the Whole 10/29/2025 – Placed on order of third reading
#1 – Supported by SUD Oversight Policy Board	SB 462, 464-465 HB 5368-5370	Legislation to require retailers to obtain a state-issued license to sell tobacco products, including e-cigarettes and nicotine pouches.	Sam Singh Joe Bellino Jennifer Wortz Brad Slagh	6/26/2025 – Introduced, referred to the Committee on Regulatory Affairs 12/2/25 – Referred to the Committee of the Whole with Substitute 12/16/25 – Reported to the Committee of the Whole with Substitute, Placed on order of Third Reading

BILLS & REGULATIONS PERTAINING TO SUD

Priority	BILL #	SUMMARY	SPONSOR(s)	STATUS/ACTION DATE
				12/18/25 – Amendments adopted, Passed Roll Call in Senate, Received in House, Read a first time, Referred to Committee on Regulatory Reform <i>HB 5368-5370 12/16/25 - Introduced and Referred to Committee on Regulatory Reform. No hearings set at this time.</i> Sign the Petition — Tobacco Free
#1 – Supported by SUD Oversight Policy Board	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 12/2/25 – Referred to the Committee of the Whole with Substitute 12/16/25 – Reported to the Committee of the Whole with Substitute, Placed on order of Third Reading Sign the Petition — Tobacco Free
	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
	SB 592	A bill to require reentry services and support for certain individuals after resentencing.	Sylvia Santana	9/25/25 – Introduced, Referred to Committee on Civil Rights, Judiciary, and Public Safety 12/4/25 – Referred to the Committee of the Whole

BILLS & REGULATIONS PERTAINING TO SUD

Priority	BILL #	SUMMARY	SPONSOR(s)	STATUS/ACTION DATE
	SB 582	To establish a 32% tax on the sale and distribution of nicotine, vapor, and alternative nicotine products-"Alternative nicotine product" means a noncombustible product that contains nicotine derived from any source and that is intended for human consumption, whether chewed, absorbed, dissolved, or ingested by any other means.	Stephanie Chang	9/24/25 – Introduced, Referred to the Committee on Appropriations
	HB 5087	To mandate \$3,000,000.00 of tax revenue from the sale of tobacco products to be placed in the "Healthy Michigan Fund" each fiscal year for smoking prevention programs.	Phil Green	9/26/25 – Introduced, Read a first time, referred to the Committee on Finance
	SB 597 & 598	The bill would amend the Michigan Regulation and Taxation of Marihuana Act to prohibit the Cannabis Regulatory Agency (Agency) from issuing a marihuana retailer license if doing so would result in more than one marihuana retailer for every 5,000 residents in the applicant's municipality, beginning January 1, 2026	Sam Singh Jeremy Moss	10/2/25 – Introduced, Referred to Committee on Regulatory Affairs
	SB 599-602	The bills would enact the "Industrial Hemp Processing Act" to require a person to hold a license before processing consumable hemp products from industrial hemp. Industrial hemp is generally cannabis with less than 0.3% Tetrahydrocannabinol (THC), the intoxicant in marihuana. <ul style="list-style-type: none"> • Currently, the licensing of persons engaged in the growing, processing, and handling of industrial hemp is governed by the Industrial Hemp Research and Development Act, which the bills would repeal. • The bills would require the Cannabis Regulatory Agency (CRA) to administer the "Industrial Hemp Processing Act's" licensing and regulatory requirements and to promulgate rules. • They also would establish licensure fees and qualifications and civil and criminal penalties for violations of the proposed Act. 	Dayna Polehanki	10/2/25 – Introduced, Referred to Committee on Regulatory Affairs 12/2/25 – Referred to the Committee of the Whole with Substitute 12/9/25 – Placed on order of third reading, placed on immediate passage 12/16/25 – Amendments adopted, Passed roll call in Senate 12/17/25 – Received in House, Read a first time, Referred to Committee on Regulatory Reform
#2 – Supported by SUD Oversight Policy Board	HB 5134 & 5135	To amend MRTMA (or MMFLIA) to say: A person shall not advertise any of the following on a billboard or digital billboard that is located in this state: <ul style="list-style-type: none"> • Marihuana. • A marihuana-infused product. • A marihuana accessory. • A marihuana establishment. 	William Bruck Donovan McKinney	10/23/25 – Introduced, Read a first time, Referred to Committee on Regulatory Reform  121025-OPB-Packet Att 7.pdf
	HB 5122	To amend MLCC to allow "A current photo identification card issued by a local government. A current student photo identification card issued by an educational institution" to be qualified forms of identification to purchase alcohol.	Alicia St. Germaine	10/23/25 – Introduced, read a first time, referred to Committee on Regulatory Reform

BILLS & REGULATIONS PERTAINING TO SUD

Priority	BILL #	SUMMARY	SPONSOR(s)	STATUS/ACTION DATE
	HB 4969	A bill to regulate the distribution, sale, and manufacture of kratom products; to require licensing for certain conduct related to kratom and kratom products; to prohibit the distribution, sale, and manufacturing of certain kratom products; to provide for the powers and duties of certain state governmental officers and entities; to prescribe fines and sanctions; to provide remedies; and to require the promulgation of rules. – A licensee shall not distribute, sell, or offer for distribution or sale in person or through an online website a kratom product to an individual in this state who is less than 21 years of age.	Cam Cavitt	9/17/25 – Introduced, Read a first time, referred to the Committee on Regulatory Reform 11/13/25 - Referred to second reading in Committee on Regulatory Reform
	HB 5302	A bill to modify a SUD prevention competitive grant program to provide grants for recovery community organizations	Jay DeBoer	12/2/2025 – Introduced, Read a first time, referred to the Committee on Health Policy
	HB 4951	The bill would enact the "Comprehensive Road Funding Tax Act" to do the following: -- Impose a 24% excise tax on the wholesale price of marihuana. -- Create the Comprehensive Road Funding Fund and allocate \$3.0 million of revenue from the Act in Fiscal Year (FY) 2025-2026 to the Fund and \$500,000 of revenue from the Act to the Fund in each following fiscal year. -- Allocate the remainder of revenue collected under the Act to the Neighborhood Road Fund.1 -- Beginning in FY 2027-2028 and in each following fiscal year, require the amount appropriated to the Comprehensive Road Funding Fund to be adjusted by the Consumer Price Index. -- Require the Department of the Treasury to administer the Act. -- Require a person subject to a tax imposed by the Act to file periodic returns at the times and in the manner prescribed by the Department.	Samantha Steckloff	9/16/2025 – Introduced, Read a first time, referred to the Committee on Appropriations. 9/25/2025 – Second & Third Reading, Passed 9/29/2025 – Sent to Senate, Referred to Committee of the Whole 10/2/2025 - Placed on Immediate Passage, returned to House 10/7/2025 – Approved by the Governor. Assigned PA 25'25 with Immediate Effect
	SB 713-714	A bill to provide for regulation of advertisements and promotions for internet gaming	Erika Geiss	11/13/2025 – Introduced, Referred to the Committee on Regulatory Affairs Sen. Geiss Champions Legislation to Protect Michigan Youth from Gambling, Sports Betting Advertisements - Senator Erika Geiss
	SB 786-788	Bills to prohibit the sale or transfer of certain vapor products; and to prescribe penalties. A person shall not sell or otherwise transfer a vapor product that has a heating element unless the heating element is made of or encased in 1 or both of the following materials: (a) Glass. (b) Ceramic.	Jeff Irwin	2/18/2026 – Introduced, Referred to the committee on Regulatory Affairs

BILLS & REGULATIONS PERTAINING TO ARTIFICIAL INTELLIGENCE

Priority	BILL #	SUMMARY	SPONSOR(s)	STATUS/ACTION DATE
	HB 4667	A bill to add a new section to the Michigan Penal Code to create three felonies related to AI systems, and provide for related penalties.	Sarah Lightner	6/24/25: Introduced, read a first time, referred to the Committee on Judiciary
	HB 4668	A bill to create a new act, the Artificial Intelligence Safety and Security Transparency Act, which would require large developers of foundation models to create and implement certain risk management practices relating to the use of those models, as well as provide for the powers and duties of government officers and entities, protections for certain employees, and related civil causes of action and sanctions.	Sarah Lightner	6/24/25: Introduced, read a first time, referred to the Committee on Judiciary 9/11/25: reported with recommendation for referral to Committee on Communications and Technology 9/18/25: placed on second reading; referred to Committee on Regulatory Reform
	HB 4536	An insurer that delivers, issues for delivery, or renews in this state a health insurance policy shall not deny, modify, or delay a claim based on a review using artificial intelligence	Carrie Rheingans	6/3/25: Introduced, read a first time; referred to Committee on Communications and Technology 9/18/25: placed on second reading; referred to Committee on Insurance
	HB 4537	The department or a contracted health plan shall not deny, modify, or delay a claim under the medical assistance program based on a review using artificial intelligence	Carrie Rheingans	6/3/25: Introduced, read a first time; referred to Committee on Communications and Technology 9/18/25: placed on second reading; referred to Committee on Insurance
	HB 4661	A bill to establish a crime victim communication modernization grant program to provide grants to certain state and local governmental officers to modernize communication with victims of crime and other individuals; to create the crime victim communication modernization fund and provide for the distribution of money from the fund; to provide for appropriations; and to provide for the powers and duties of certain state and local governmental officers and entities.	Curtis VanderWall	6/17/25: Introduced, read a first time, referred to the Committee on Appropriations
	H.R. 5784 [Federal]	AI-WISE Act: To amend the Small Business Act to help small business concerns critically evaluate artificial intelligence tools, and for other purposes.	Rep. Hillary Scholten	10/17/25: Introduced, Referred to the House Committee on Small Business 12/12/25: Reported by Committee on Small Business, Placed on Union Calendar 1/20/26: Mr. Williams (TX) moved to suspend the rules and pass the bill, DEBATE , On motion to

BILLS & REGULATIONS PERTAINING TO ARTIFICIAL INTELLIGENCE

Priority	BILL #	SUMMARY	SPONSOR(s)	STATUS/ACTION DATE
				suspend the rules and pass the bill Agreed to by voice vote, Motion to reconsider laid on the table Agreed to without objection. 1/26/26: Received in the Senate and Read twice and referred to the Committee on Small Business and Entrepreneurship
	H.R. 5764 [Federal]	AI for Main Street Act: To amend the Small Business Act to require small business development centers to assist small business concerns with the use of artificial intelligence, and for other purposes.	Rep. Mark Alford	10/17/25: Introduced, Referred to the House Committee on Small Business 12/12/25: Reported by Committee on Small Business, Placed on Union Calendar 1/20/26: Mr. Williams (TX) moved to suspend the rules and pass the bill, DEBATE , At the conclusion of debate, the Yeas and Nays were demanded and ordered. Pursuant to the provisions of clause 8, rule XX, the Chair announced that further proceedings on the motion would be postponed, On motion to suspend the rules and pass the bill, as amended Agreed to by the Yeas and Nays, Motion to reconsider laid on the table Agreed to without objection. 1/26/26: Received in the Senate and Read twice and referred to the Committee on Small Business and Entrepreneurship

FEDERAL LEGISLATION

BILLS & REGULATIONS PERTAINING TO MENTAL HEALTH

Priority	BILL #	SUMMARY	SPONSOR(s)	STATUS/ACTION DATE
	H.R. 5725	To direct the Attorney General to establish a grant to support communities transitioning to health-centered responses for mental health-related emergencies	Bonnie Watson Coleman	10/8/25 – Introduced, Referred to the Committee on Energy and Commerce, and in addition to the Committee on the Judiciary

	H.R. 5706	To establish a grant program to assist eligible entities in developing or expanding behavioral health crisis response programs that do not rely primarily on law enforcement, and for other purposes.	Yassamin Ansari	10/8/25 – Introduced, Referred to the Committee on Energy and Commerce
	H.R. 5557	Mental Health Services for Students Act of 2025: to amend the Public Health Service Act to revise and extend projects relating to children and to provide access to school-based comprehensive mental health programs.	Andrea Salinas	9/23/25 - Introduced, Referred to the Committee on Energy and Commerce
Supported by LRE	S. 3402	Ensuring Excellence in Mental Health Act: A bill To amend titles XVIII and XIX of the Social Security Act and the Public Health Service Act to improve the certified community behavioral health clinic program, and for other purposes.	John Cornyn	12/9/25 – Introduced, Read twice, Referred to the Committee on Finance Action Alert: Contact your Senator - National Council for Mental Wellbeing Ensuring Excellence in Mental Health Act

BILLS & REGULATIONS PERTAINING TO SUD				
Priority	BILL #	SUMMARY	SPONSOR(s)	STATUS/ACTION DATE
	H.R.27 S. 331	HALT Fentanyl Act: 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.

BILLS & REGULATIONS PERTAINING TO SUD

Priority	BILL #	SUMMARY	SPONSOR(s)	STATUS/ACTION DATE
	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	Protecting Kids from Fentanyl Act of 2025: 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	Families Care Act: 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	PREPARE Act of 2025: 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	SUPPORT for Patients and Communities Reauthorization Act of 2025 (SUPPORT Act): 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 9/18/2025 – Passed Senate with unanimous consent 9/19/2025 – Message sent to House 11/25/2025 – Presented to the President 12/1/2025 – Signed by the President, Became Public Law No: 119-44.
	HR 4607	SEEK HELP Act: 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

BILLS & REGULATIONS PERTAINING TO SUD

Priority	BILL #	SUMMARY	SPONSOR(s)	STATUS/ACTION DATE
	HR 4595	Small and Homestead Independent Producers Act of 2025: 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	<p>One Big Beautiful Bill Act: 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 (H Con. Res. 14) 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.)</p> <p>Proposed Federal Legislation Would Ban Virtually All Hemp-Based Cannabinoid Products Shipman & Goodwin LLP</p> <p>*The LRE is actively monitoring the repercussions of this new law, and the effects it will have on our system.</p>	Jodey Arrington	<p>5/20/2025 - The House Committee on the Budget reported an original measure</p> <p>5/22/2025 - On passage Passed by the Yeas and Nays: 215 – 214 in the House</p> <p>6/27/2025 – Received in the Senate</p> <p>7/1/2025 - Passed Senate with an amendment by Yea-Nay Vote. 51 – 50</p> <p>7/3/2025 - On motion that the House agree to the Senate amendment Agreed to by recorded vote: 218 – 214. Presented to President.</p> <p>7/4/2025 - Signed by President. Became Public Law No: 119-21.</p> <p>H.R.1 Implementation Journey</p>
	H.R 5630	To amend the Public Health Service Act to require additional information in State plans for Substance Use Prevention, Treatment, and Recovery Services block grants.	Erin Houchin	9/30/25 - Introduced, Referred to the Committee on Energy and Commerce
	H.R. 5415 S. 3076	To amend the Controlled Substances Act to permanently schedule the class of 2-benzylbenzimidazole-opioids known as nitazenes	Rep. Eugene Vindman Sen. David McCormick	09/16/2025 – (House) Introduced, Referred to the Committee on Energy and Commerce, and in addition to the Committee on the Judiciary 10/30/2025 – (Senate) Read twice and referred to the Committee on the Judiciary;
	H.R. 5844	To amend the Controlled Substances Act with respect to the registration of opioid treatment programs to increase stakeholder input from relevant communities and to ensure such programs are treating patients in need—the applicant will address community impacts;	Adriano Espaillat	10/28/2025 – Introduced, Referred to the Committee on Energy and Commerce, and in addition to the Committee on the Judiciary

BILLS & REGULATIONS PERTAINING TO SUD

Priority	BILL #	SUMMARY	SPONSOR(s)	STATUS/ACTION DATE
	H.R. 5573	The Attorney General, acting through the Director of the Bureau of Justice Assistance, and in consultation with the Secretary of Health and Human Services, is authorized to award grants to State and local law enforcement agencies to assist such agencies in planning, designing, establishing, or operating locally based, proactive programs to combat the unlawful sale, marketing, or distribution of controlled substances using social media platforms	Gabe Evans	9/26/2025 – Introduced, Referred to the House Committee on the Judiciary
	S. 3522	No Red Tape For Addiction Treatment Act: A bill to amend title XIX of the Social Security Act to require that State Medicaid programs provide at least one formulation of each type of medication for the treatment of opioid use disorder without prior authorization or limitations on dosage, and for other purposes.	Margaret Wood Hassan	12/17/2025 – Introduced, Read Twice, Referred to Committee on Finance

LEGISLATIVE CONCERNS

LOCAL THREATS AND CHALLENGES

ISSUE	SUMMARY	COUNTY	ADDITIONAL INFORMATION/LINKS
FY 26 Appropriations Issues	See Attached Document		 FY26 CMHA key budget issues.docx
COVID Relief Funding Rescinded – ARPA Funds	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: Mental health and addiction funding on the federal chopping block : NPR State perspective: Nessel sues as Trump health cuts hit Michigan disease, addiction programs

MISCELLANEOUS UPDATES

	ISSUE	SUMMARY	COUNTY	ADDITIONAL INFORMATION/LINKS
	Presidential Drug Policy Priorities	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		ONDCP Releases Trump Administration’s Statement of Drug Policy Priorities – The White House 2025-Trump-Administration-Drug-Policy-Priorities.pdf
	Regional Opposition to HB 4255 & 4256	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
	H.R.1 Implementation	As states move to implement the Medicaid provisions of H.R. 1, behavioral health providers face both operational challenges and critical opportunities to shape the path forward. This journey map is designed to equip National Council for Mental Wellbeing members with clear, actionable guidance on the policy changes ahead, the roles of key stakeholders, and the opportunities that matter most for engagement. By proactively collaborating with state officials, leveraging community partnerships, and elevating the needs of people with mental health and substance use challenges, providers can help ensure implementation decisions preserve and strengthen access to care.		H.R.1 Implementation Journey
	SAMHSA Action Alert	Congress must keep mental health a bipartisan priority in the FY 26 appropriations bill		Funding Restored! Thank Congress & Encourage them to Keep Mental Health a Bipartisan Priority
	Gov. Whitmer’s FY 27 Budget	Michigan Executive Office of the Governor announced Governor Whitmer’s FY27 executive budget recommendation, presented on February 11, 2026, totaling \$88.1 billion, with a focus on improving literacy, saving Michiganders money, protecting Medicaid, and fixing roads. The budget protects Medicaid access with \$780.4 million in stabilization funding and proposes new revenue sources to offset federal cuts, while also funding programs to comply with new federal requirements (H.R. 1).		State Budget Office

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	Home Page Find Your Senator - Michigan Senate (https://senate.michigan.gov/FindYourSenator/)
Find Your State Representative	Michigan House - Home Page (https://www.house.mi.gov/)



LAKESHORE
REGIONAL ENTITY

February 2026 Board of
Directors Presentation.

Stephanie VanDerKooi
Chief Operations Officer



What is the QAPIP?

Quality

Assessment

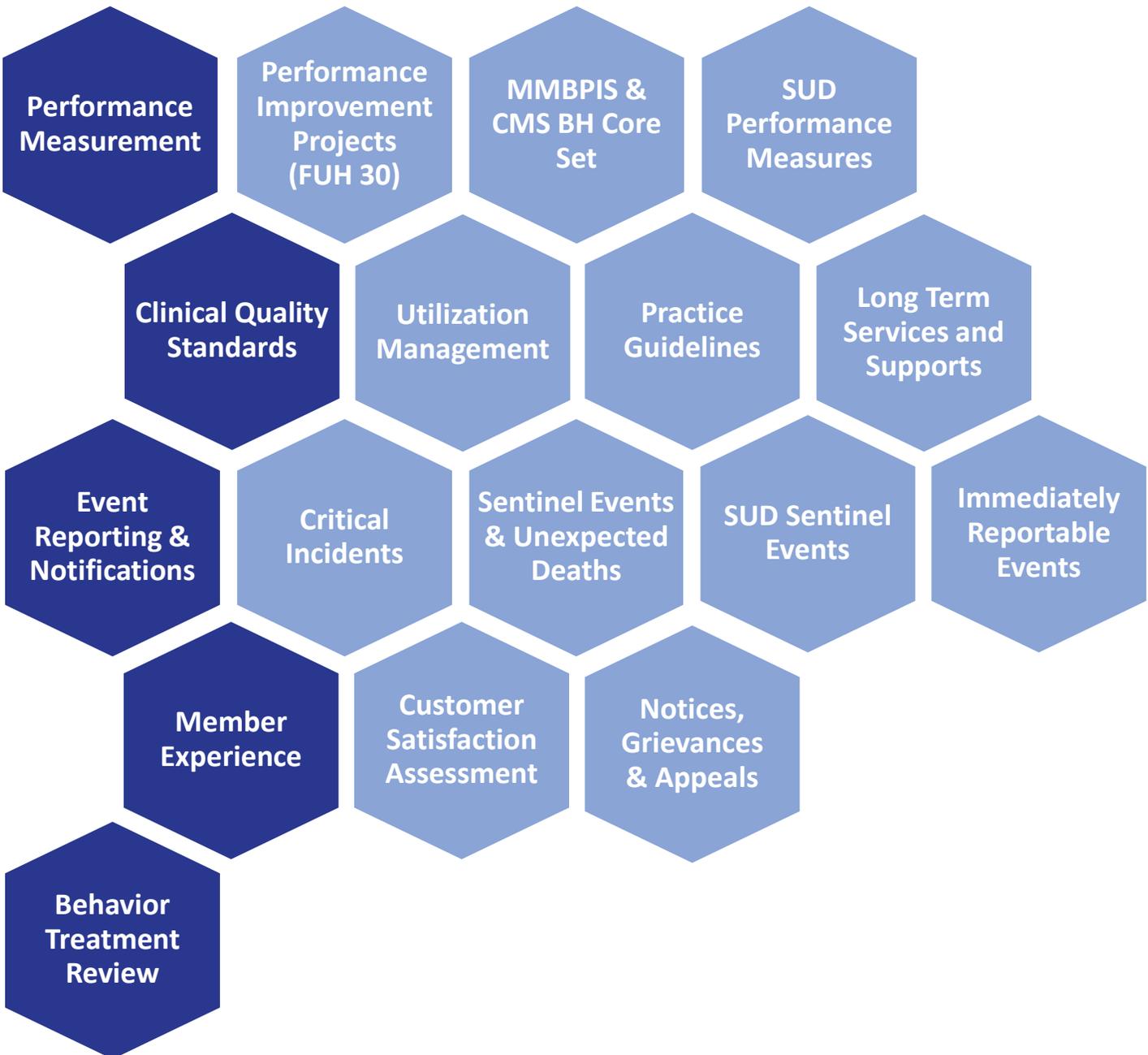
Performance

Improvement

Programs

- State-required system for monitoring and improving quality.
- Ensures services are safe, effective, and person-centered.
- Uses data and stakeholder input to guide improvements.
- Creates a consistent, regional approach to quality.

QAPIP Components



The state requires specific areas of monitoring within the QAPIP, while also allowing the region to identify and pursue additional performance improvement priorities.

FY25 QAPIP Goal Achievement

QAPIP Goals	Status
Performance Measures: Meet MDHHS MMBPIS performance standards	
Performance Measures: Implement Year 1 CMS BHCS requirements	
Performance Improvement Project #1: Reduce FUH 30 disparity	
Performance Improvement Project #2: Overall increase FUH 30 rates	
Event Notification: Report critical incidents, sentinel events, & unexpected deaths as required	
Behavior Treatment Review: Review data on behavior treatment and physical management for each instance	
Customer Satisfaction: Determine if current tools are effective for LRE's populations	

QAPIP Goals	Status
<u>Clinical Practice Guidelines:</u> Provide education & monitor; adopt new as needed	
<u>Medicaid Verification:</u> Verify services reimbursed by Medicaid as required	
<u>Credentialing:</u> Enhance process thru alignment with requirements, system integration planning, & incorporation of quality metrics & consumer concerns.	
<u>Oversight Provider Network:</u> Compliant site reviews with CMHSPs & provider facilities, active participation in MDHHS site reviews and corrective action oversight, and external quality review score at or above prior review.	
<u>Long Term Services & Supports:</u> Monitor services and supports for individuals receiving LTSS	

Legend:



Met



Partially Met



Not Met

FY25 QAPIP Success Highlights



Strong provider oversight with high compliance across review activities



Timely and accurate event reporting, with continued improvement in review timeliness



Reduced use of physical management, with continued decrease in average duration

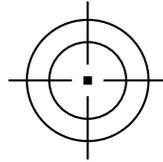


Credentialing goals met, with 55 organizations and 305 individuals credentialed or recredentialed



Consistent monitoring of consumer experience across service populations

FY25 QAPIP Areas of Focus



Target improvement for MMBPIS Indicator 3, maintain performance on other indicators



Strengthen FUH 30 performance, including continued focus on reducing disparity and improving overall rates



Address HSAG-identified improvement areas, including provider selection, confidentiality, and health information systems



Respond to increases in harm-to-self risk events through targeted monitoring

To read the full report please [**CLICK HERE**](#).



LAKESHORE
REGIONAL ENTITY

FY25 LRE Substance Use
Disorder Service

Stephanie VanDerKooi - Chief Operating Officer
February 25, 2026

FY25 SUD Treatment Highlights

Success Highlights

- Continual improvement in individuals with Co-Occurring disorders receiving integrated care.
- Improvement in admissions to next level of care w/in 7 days or discharge from detox/short term residential.



Issues to Monitor

- Continual improvement in individuals with Co-Occurring disorders receiving integrated care.
- Improvement in admissions to next level of care w/in 7 days or discharge from detox/short term residential.



For the full report [**CLICK HERE**](#)

FY25 SUD Treatment Monitoring

Treatment Access Metrics

↓ Time to service persons with IVDU	★
↓ Time to service for persons with Opioid Use Disorder	≈
↑ Admissions with Criminal Justice Involvement	≈

Engagement & Retention Metrics

↓ Clients with co-occurring disorder that received integrated treatment	★
↓ Treatment episodes with only 1 visit	≈

Legend:



Improving



Stable



Worsening

Continuity of Care Metrics

↑ Admissions to next LOC w/in 7 days of discharge from detox/short term residential	★
↓ Average # days between discharge from detox/short term residential and next level of care	★

Performance Bonus Incentive Program Metrics

↑ Clients employed or in school at discharge vs admission	★
↑ Clients with stable living condition at discharge vs admission	★
↓ Disparities for ED visits for SUD follow up w/in 30 days	★
↑ Initiate treatment within 14 calendar days of diagnosis	≈
↑ Episodes with 2+ service w/in 34 calendar days of initiation	≈

FY25 SUD Prevention Highlights



Coalition coordination

6 county-level coalitions set priorities & coordinate efforts



Educational programming

46 programs served **5,600+** people



Single Session Education & Events

Presentations, trainings, & community events reached **9,691** individuals



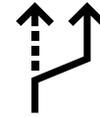
Public Awareness Campaigns

24 campaigns with **1.4 million** impressions.



Youth Leadership

415 youth leaders engaged provided services to **4,047** peers



Preventing diversion

3,756 lockboxes distributed & **11** Rx disposal events



Preventing Retail Sales

461 compliance checks
846 vendor educations and
392 servers received training.



Screening & Referral

51 screenings with **13** referrals.

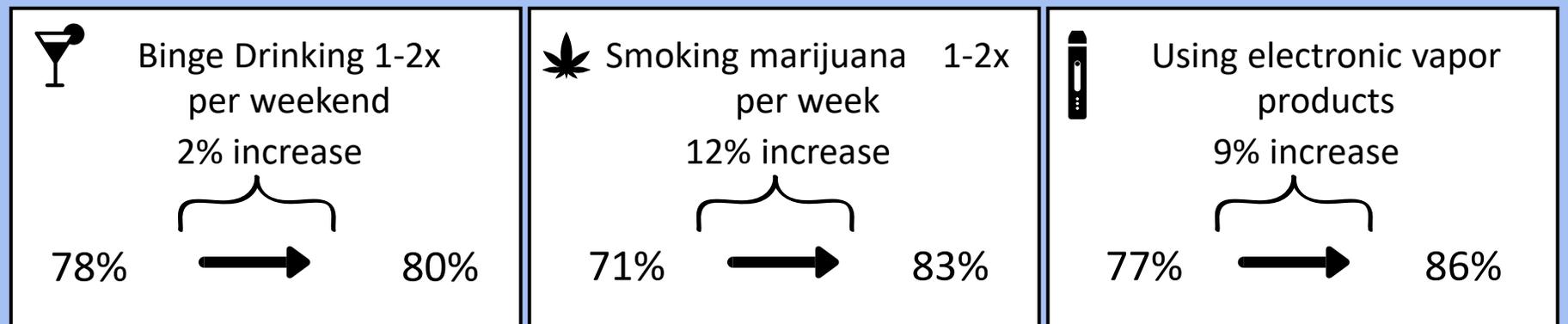
For the full report [**CLICK HERE**](#)

FY25 SUD Prevention Highlights

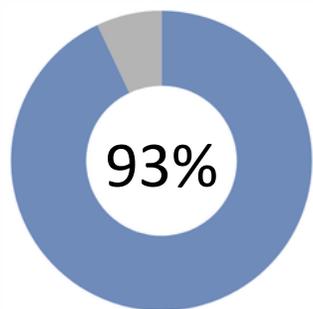
Among 34 youth education programs targeting perceptions of risk:

Students who reported **moderate/great risk** for:

Perception of Risk increased between pre and post test

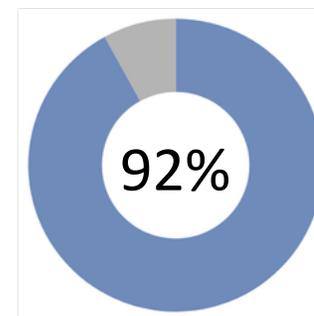


Parenting Skills



of 140 parents surveyed reported the program improved their parenting skills (of 5 parent programs)

Satisfaction



of 2,335 educational program participants reported satisfaction

Veteran Navigator Report

FY26 Q1

Outreach: 237 Reached

Throughout Q1 we participated in outreach events in Muskegon and Ottawa counties. Autumn also participated in multiple planning groups for veterans to expand participation and expand awareness in our region.

Support: 29 Served

We were able to help a disabled veteran find assisted living after a hospitalization stay. We helped a veteran going through a divorce find housing and legal assistance.

Expertise: 4 Trainings

We were able to meet with MSU representatives to work on providing more relevant trainings to veterans. Autumn also has partnerships throughout our region to help provide better veteran specific assistance.

Referrals: 7

We connected in Q1 with 4 organizations to work together to help serve veterans.

[CLICK HERE](#) for full report.

A background image showing autumn foliage, including brown and orange leaves on trees and grass in the foreground, with a blue curved line separating the image from the text area.

Legislative Update:

Highlights:

- **FY27 Budget Proposal:** The Governor has released her budget proposal for FY27. We will monitor this process through out the spring and summer.
- **One Big Beautiful Bill:** we continue to monitor the repercussions of this law and its effects on our system.
- **Artificial Intelligence:** There are a multitude of Federal bills on AI we are monitoring on an ongoing basis.
- **SUD Legislation:** We continue to monitor and support multiple state bills to require licenses to sell tobacco products (including e-cigarettes) as well as legislation that will help to hold retailers accountable for products sold, not young people.

For the full legislative report, [CLICK HERE.](#)

Q&A

EXECUTIVE COMMITTEE SUMMARY

Wednesday, January 21, 2026, 1:00 PM

Present: Patricia Gardner, Janet Thomas, Richard Kanten, Craig Van Beek

Absent: Ron Bacon

LRE: Mary Marlatt-Dumas, Stephanie VanDerKooi, Stacia Chick

WELCOME and INTRODUCTIONS

- i. Review of January 21, 2026, Meeting Agenda
- ii. Review of December 11, 2025, Meeting Minutes

January 21, 2026, agenda and December 11, 2025, meeting minutes are accepted as presented.

MDHHS UPDATES

- i. FY22 Cost Settlement Update
 - Currently no update.
- ii. Treasury Department Update
 - Currently no update. LRE should receive the next payment within the next couple months.
- iii. 4 PIHPs Lawsuit
 - Currently no update.
- iv. PIHP Rebid Update
 - There has been no new information currently. The ruling was issued on January 8, and Judge Yates gave MDHHS 30 days to either revise the RFP or withdraw it.
 - An email was distributed by CMHAM outlining areas to be addressed in reshaping the mental health system, which will be discussed at the next Director's Forum (1/28/26).

BOARD MEETING AGENDA ITEMS

- i. Internal Service Fund (ISF) Analysis
 - Jason Stading from Wakely will present the ISF analysis during the January Board meeting.
- ii. Action Items – None

BOARD WORK SESSION AGENDA

- i. Work Sessions vs. Board Meeting
 - To better utilize Board members' time, LRE will begin covering more items during Board meetings rather than holding separate Work Sessions, although Work Sessions will be used when needed.
- ii. Work Session Agenda Items/Cancel

- The January Work Session will be cancelled.

CEO DISCUSSION WITH EXECUTIVE COMMITTEE

LRE CEO and Executive Committee discussed various concerns and possible solutions.

PIHP CEO PERFORMANCE EVALUATION

The next Executive Committee meeting will be used to update the LRE CEO goals.

OTHER

UPCOMING MEETINGS

- January 28, 2026 – LRE Executive Board Work Session, 11:00 PM
GVSU, Muskegon Innovation Hub, 200 Viridian Dr, Muskegon, MI 49440
- February 18, 2026, – Executive Committee, 1:00PM
- February 26, 2026 – LRE Executive Board Work Session, 11:00 AM
GVSU, Muskegon Innovation Hub, 200 Viridian Dr, Muskegon, MI 49440
- February 26, 2026 – LRE Executive Board Meeting, 1:00 PM
GVSU, Muskegon Innovation Hub, 200 Viridian Dr, Muskegon, MI 49440

ADJOURN

EXECUTIVE COMMITTEE SUMMARY

Wednesday, February 18, 2026, 1:00 PM

Present: Patricia Gardner, Janet Thomas, Ron Bacon, Craig Van Beek

Absent: Richard Kanten

LRE: Mary Marlatt-Dumas, Stephanie VanDerKooi, Stacia Chick

WELCOME and INTRODUCTIONS

- i. Review of February 18, 2026, Meeting Agenda
- ii. Review of January 21, 2026, Meeting Minutes

February 18, 2026, agenda and January 21, 2026, meeting minutes are accepted as presented.

MDHHS UPDATES

- i. FY22 Cost Settlement Update
 - Currently no update.
- ii. Treasury Department Update
 - Currently no update.
- iii. 4 PIHPs Lawsuit
 - Judge Patel has resumed consideration of the PIHP lawsuit. The court is expected to provide additional information or developments within the next month.
- iv. PIHP Rebid Update
 - The RFP was canceled, however, during the Winter Conference it was noted that MDHHS plans to issue a new RFP that would extend into 2027. Community Mental Health Association of Michigan (CMHAM) is developing a plan to address major issues within the Medicaid system, aligning with advocacy priorities and directly responding to MDHHS concerns.

BOARD MEETING AGENDA ITEMS

- i. Presentations
 - a. ISF Analysis
 - Jaston Stading from Wakely will present.
 - b. QAPIP Annual Effectiveness Review
 - The QAPIP is required to be reviewed annually.
 - c. Residential Assessment
 - This presentation will provide a project overview. The project is not yet ready for implementation and will continue to be developed at the regional level.
 - d. SUD/VN Updates
 - e. Funding Methodology Review Request
 - Board member Bob Davis has requested that a motion/discussion be added to the Board meeting agenda to approve LRE beginning to explore

alternative revenue funding distribution methodologies. This topic was discussed during a meeting with CMH CEOs, including a plan to review additional methodologies and to begin addressing utilization management (UM) issues.

- The Executive Committee agreed to place this request on the agenda as Item 8 and to include the related email as an attachment. Ms. Marlatt Dumas will address, in her board report, the discussion held with the CMH CEOs on this topic. If needed, further discussion may occur during the meeting.

ii. Action Items

a. Our Hope Association Contract

- This contract is a grant rolled over from last year (2025) with a value exceeding \$100,000.

BOARD WORK SESSION AGENDA

i. Work Session

- The February Work Session will be canceled.

PIHP CEO 2026 GOALS

The Executive Committee reviewed the 2026 PIHP CEO goals.

OTHER

NA

UPCOMING MEETINGS

- February 25, 2026 – LRE Executive Board Meeting, 1:00 PM
GVSU, Muskegon Innovation Hub, 200 Viridian Dr, Muskegon, MI 49440
- March 12, 2026 – Community Advisory Panel, 1:00 PM
- March 18, 2026 – Executive Committee, 1:00PM
- March 25, 2026 – LRE Executive Board Work Session, 11:00 AM
GVSU, Muskegon Innovation Hub, 200 Viridian Dr, Muskegon, MI 49440
- March 25, 2026 – LRE Executive Board Meeting, 1:00 PM
GVSU, Muskegon Innovation Hub, 200 Viridian Dr, Muskegon, MI 49440

ADJOURN

Author: Bob Davis

Motion Summary: Investigate Transition from PEPM to Needs-Based Model

Purpose

To direct Lakeshore Regional Entity leadership to analyze and report on the feasibility, fiscal impact, and compliance considerations of transitioning from a Per-Enrollee-Per-Month (PEPM) funding model to a Needs-Based reimbursement model for Medicaid behavioral health services.

Key Actions in Motion

- Conduct an analysis comparing PEPM and Needs-Based models, including fiscal and operational impacts.
- Engage stakeholders (CMHSPs, providers, MDHHS) for input on feasibility and implementation strategies.
- Report findings and recommendations to the Board within 90 days, including timelines and resource needs.
- Ensure alignment with MDHHS procurement timelines and CMS actuarial soundness requirements.

Rationale for Motion

- PEPM applies uniform rates, ignoring acuity and creating inequities.
- Needs-Based models align funding with member complexity, improving access and compliance.
- Supports CMS requirements under 42 CFR 438.4 for actuarially sound rates.
- Positions LRE as a leader in equitable behavioral health financing reform.

Approval of FY26 Contracts Over \$100,000
in Accordance with [LRE Policy 10.17 – Management Delegation and Executive Limitations](#)

Motion

The LRE Board of Directors moves to approve the Agreement(s) listed below, in accordance with Policy 10.17.

Contractor Name	Description	Contract Total
Our Hope Association	Healing and Recovery Community Engagement and Infrastructure Grant: The purpose of this grant project is to enhance collaboration, support community engagement and planning activities, and to facilitate infrastructure support and service delivery. Funding will be utilized to provide a generator for one of the long term residential units so that the unit can retain power and heat for clients during inclement weather.	\$144,415.00

Lakeshore Regional Entity Board Financial Officer Report for January 2026 2/25/2026

- **Disbursements Report** – A motion is requested to approve the January 2026 disbursements. A summary of those disbursements is included as an attachment.
- **Statement of Activities** – Report through December is included as an attachment. These figures are draft and will not be final until after the audit is complete.
- **LRE Combined Monthly FSR** – The December 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 **surplus** fiscal year-to-date through December of **\$1.7 million**, a projected annual **deficit** of **\$10.7 million**, and a budgeted **deficit** of **\$1.8 million** regionally (Medicaid and HMP) is shown in this month's report. All CMHSPs have an actual **surplus** except Network180 who has a **deficit** of **\$3.5 million**. West Michigan CMH has a projected **surplus**. HealthWest, Network180, OnPoint and CMH of Ottawa have projected **deficits**. All CMHSPs have a budgeted **surplus or breakeven**, except Network180 with a budgeted **deficit** of **\$2.1 million**.

HealthWest, OnPoint, and West Michigan reported **surpluses** for the first quarter; however, they reported those surpluses will be reduced and/or eliminated throughout the year.

Network180 reported a **\$3.5 million deficit** for the first quarter, though their annual **deficit** is projected at **\$2.8 million**, which is about **\$700 thousand** more than their November budget submission. They reported that they are developing and implementing changes to meet the budget target.

CMH of Ottawa reported a **\$1.7 million surplus** but projected a **\$3.6 million deficit**, which was not indicated in their November budget submission. They are seeking authority status to better manage expenses. Budget reduction and utilization management strategies are also currently being discussed by CMH of Ottawa in an attempt to address the projected variance.

The Operations Advisory Council met February 18, 2026 to address regional financial issues.

- **Cash Flow Issues** – No new concerns reported to LRE. N180 has an outstanding **\$6 million** cash advance due May 1, 2026.
- **Treasury/IPA Update** – No new update this month.
- **Internal Service Fund (ISF) Balance** – Fiscal Year 2026 – Status as of February 19, 2026:
The ISF balance for FY26 begins with a reference balance of **\$29.6 million**, based on the FY25 Interim Financial Status Report (FSR) ending ISF balance. An estimated **\$1.5 million increase in expenses** identified after the FSR submission by Network180 reduced the projected FY25 ending balance to **\$28.1 million**.

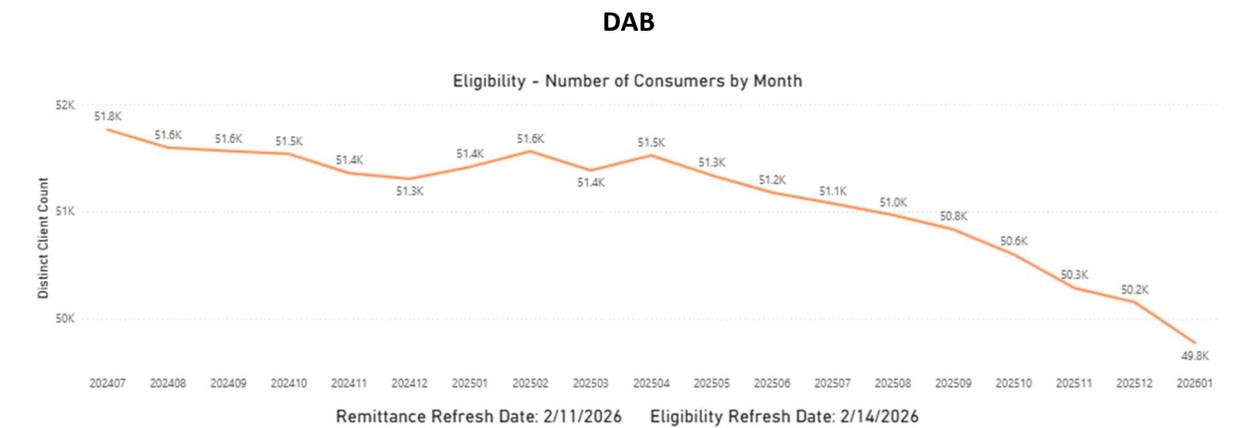
Based on current projections, the FY26 December FSR reflects an estimated **deficit of \$10.7 million**. After accounting for this projected deficit, the **estimated FY26 ending balance** for the ISF is **\$17.5 million**.

Overall, while the fund remains positive at FY26 year-end, the projected FY26 deficit represents a significant reduction from the prior year balance and will require continued monitoring and potential corrective actions as the fiscal year progresses.

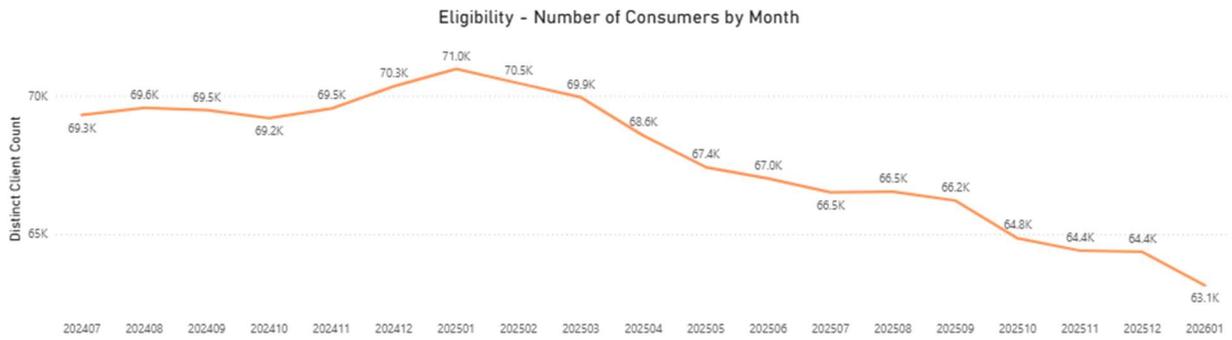
The FY25 Final FSR is expected to be completed by March 2, 2026, and historical trends indicate that the ISF balance will likely decline further. This projection also does not reflect the disputed **\$13.7 million** ISF reduction related to the FY22 MDHHS cost settlement.

- **FY2025 Rate Amendment #5** – MDHHS issued amendment number 5 to the FY25 capitation rates to fund the \$12.48 minimum wage increase under the Improved Workforce Opportunity Wage Act and cover extra employer costs from the Michigan Earned Sick Time Act. A gross adjustment payment was received February 5, 2026, resulting in **\$29.5 million in additional revenue** to the system. LRE’s specific impact was **\$2.9 million**.
- **FY2026 Revenue Projections** – FY26 January revenue aligns with December projections. Waiver recoupment and repayments are pending; MDHHS has verbally indicated that this will be resolved in March.
- **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 July 2024 – January 2026. The LRE also receives payments for other individuals that are eligible for behavioral health services (i.e. individuals enrolled and eligible for the Habilitation Supports Waiver (HSW) program. This chart has been added.

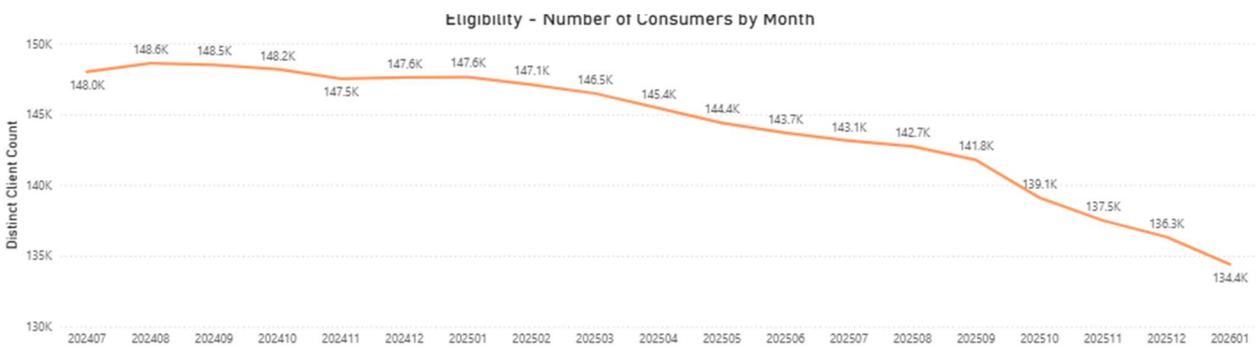
LRE has seen decreasing enrollments in DAB, TANF, and HMP, similar to trends reported across the state. The PIHPs shared combined enrollment data with MDHHS, which is investigating possible system issues but has found no evidence yet. YTD for the region DAB is -0.83%, HMP is -4.7%, and TANF is -5.1% below expected monthly exposure.



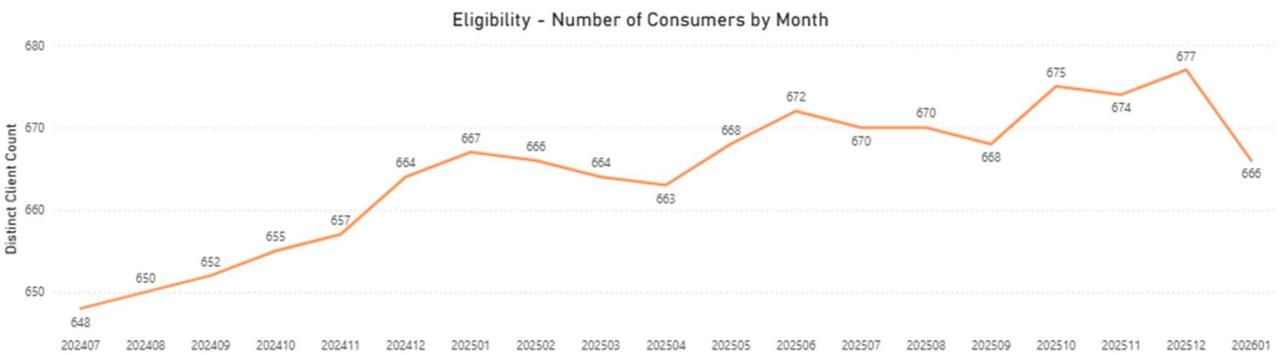
HMP



TANF



HSW



LRE has been closely tracking missing HSW payments, and per MDHHS requirements, those missing payments are reported to MDHHS four months after the missing payment occurred.

- **Legal Expenses** – Below, this chart contains legal expenses of the LRE that have been billed to the LRE to date for FY2022 through FY2026.

**Lakeshore Regional Entity
Legal Expenses Report**

Fiscal Year	Managed Care / MDHHS Contract	By-Laws			N180 Litigation	General	State Fair Hearings	CCBHC	ISF Litigation	Total
		Operating Agreement	Health West Litigation							
FY22	\$ 187,807.86	\$ 12,200.00	\$ 30,555.94	\$ -	\$ 325.00	\$ -	\$ 812.50	\$ -	\$ 231,701.30	
FY23	\$ 149,640.86	\$ -	\$ 10,720.00	\$ 52,874.13	\$ 10,250.00	\$ -	\$ -	\$ -	\$ 223,484.99	
FY24	\$ 9,186.40	\$ -	\$ 387.20	\$ 1,154.40	\$ 50,000.00	\$ -	\$ -	\$ -	\$ 60,728.00	
FY25	\$ 24,018.83	\$ -	\$ -	\$ -	\$ 178,998.45	\$ 18,802.00	\$ -	\$ 74,954.20	\$ 296,773.48	
FY26	\$ -	\$ -	\$ -	\$ -	\$ 33,914.00	\$ -	\$ -	\$ -	\$ 33,914.00	
Total	\$ 370,653.95	\$ 12,200.00	\$ 41,663.14	\$ 54,028.53	\$ 239,573.45	\$ 18,802.00	\$ 812.50	\$ 74,954.20	\$812,687.77	

As of January 31, 2026



BOARD ACTION REQUEST

Subject: December 2025 Disbursements

Meeting Date: January 28, 2026

RECOMMENDED MOTION:

To approve the December 2025 disbursements of \$35,764,681.65 as presented.

SUMMARY OF REQUEST/INFORMATION:

<u>Disbursements:</u>	
Allegan County CMH	\$2,848,423.46
Healthwest	\$7,072,650.38
Network 180	\$16,821,016.41
Ottawa County CMH	\$4,749,632.26
West Michigan CMH	\$2,391,420.55
SUD Prevention Expenses	\$317,849.80
Hospital Reimbursement Adjuster (HRA)	\$622,224.00
SUD Public Act 2 (PA2)	\$308,753.52
Administrative Expenses	\$1,254,935.27
Total:	\$35,764,681.65

95.63% 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: *1/21/2026*



BOARD ACTION REQUEST

Subject: January 2026 Disbursements

Meeting Date: February 25, 2026

RECOMMENDED MOTION:

To approve the January 2026 disbursements of \$35,160,308.69 as presented.

SUMMARY OF REQUEST/INFORMATION:

<u>Disbursements:</u>	
Allegan County CMH	\$2,777,386.77
Healthwest	\$6,679,712.21
Network 180	\$16,533,014.35
Ottawa County CMH	\$4,633,710.45
West Michigan CMH	\$2,234,812.21
SUD Prevention Expenses	\$20,603.02
Michigan IPA Tax - Quarterly	\$1,228,041.90
SUD Public Act 2 (PA2)	\$356,281.82
Administrative Expenses	\$696,745.96
Total:	\$35,160,308.69

93.51% 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: *2/13/2026*



Statement of Activities - Actual vs. Budget
Fiscal Year 2025/2026

As of Date: 11/30/25

	Year Ending 9/30/2026	11/30/2025		
	FY26 Budget <i>Amendment 1</i>	Budget to Date	Actual	Actual to Budget Variance
Operating Revenues				
Medicaid, HSW, SED, & Children's Waiver	301,240,389	50,206,732	50,574,303	367,571
DHS Incentive	471,247	78,541	-	(78,541)
Autism Revenue	67,936,338	11,322,723	11,902,177	579,454
Healthy Michigan	35,315,883	5,885,981	6,368,572	482,591
Performance Bonus Incentive	2,648,663	441,444	-	(441,444)
Hospital Rate Adjuster (HRA)	23,383,692	3,897,282	-	(3,897,282)
Member Local Contribution to State Medicaid	1,007,548	167,925	167,925	(0)
Health Homes (BHH/SUDHH)	54,672	9,112	1,458	(7,654)
MDHHS Grants	10,798,608	1,799,768	69,249	(1,730,519)
PA 2 Liquor Tax	5,166,548	861,091	-	(861,091)
Interest Earnings	1,365,174	227,529	103,993	(123,536)
Use of ISF/Savings	1,746,450	291,075	-	(291,075)
Miscellaneous Revenue	5,500	917	-	(917)
Total Operating Revenues	451,140,713	75,190,119	69,187,677	(6,002,442)
Expenditures				
Salaries and Fringes	8,006,979	1,334,497	794,458	(540,039)
Office and Supplies Expense	316,958	52,826	29,781	(23,045)
Contractual and Consulting Expenses	1,025,954	170,992	118,617	(52,375)
Managed Care Information System (PCE) *	345,200	57,533	49,200	(8,333)
Legal Expense *	229,000	38,167	17,314	(20,853)
Utilities/Conferences/Mileage/Misc Exps	3,998,465	666,411	47,705	(618,706)
Grants - MDHHS & Non-MDHHS	637,422	106,237	85,032	(21,205)
Hospital Rate Adjuster / Taxes	28,295,860	4,715,977	-	(4,715,977)
Prevention Expenses - Grant & PA2	3,214,006	535,668	447,666	(88,001)
SUD Treatment Expenses - Grants	693,492	115,582	17,803	(97,779)
Member Payments - Medicaid/HMP	392,126,153	65,354,359	66,465,827	1,111,468
Member Payments - PA2 Treatment	3,838,837	639,806	151,956	(487,850)
Member Payments - Grants	7,404,838	1,234,140	618,130	(616,009)
Local Contribution to State Medicaid	1,007,548	167,925	167,925	(0)
Total Expenditures	451,140,712	75,190,119	69,011,414	(6,178,705)
Total Change in Net Assets	0	0	176,263	176,263

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



Statement of Activities Budget to Actual Variance Report

For the Period ending November 30, 2025

As of Date: 11/30/25

Operating Revenues

Medicaid/HSW/SED/CWP	N/A - Closely aligned with the current budget projections.
DHS Incentive	This revenue is received quarterly beginning in April.
Autism Revenue	Enrollment figures are declining and we expect subsequent revenues to decrease.
Healthy Michigan	Enrollment figures are declining and we expect subsequent revenues to decrease.
Performance Bonus Incentive	FY26 Revenue will be received after the end of the fiscal year if health plan performance metrics are met.
Hospital Rate Adjuster	HRA is typically paid quarterly. First quarter HRA payment will likely be received in quarter two.
Member Local Match Revenue	N/A - Closely aligned with the current budget projections.
MDHHS Grants	SUD grant payments are received quarterly. First payment expected in quarter two.
PA 2 Liquor Tax	PA2 revenues are received quarterly, after the Department of Treasury issues payments to the counties.
Interest Revenue	Interest is down with 2 CDs maturing. Reinvestment is pending.
Use of ISF/Savings	Revenue will likely be applied to CMHSP Member deficits at year end, as needed, per the Board approved FY26 Risk Management Strategy Plan.
Miscellaneous Revenue	Revenue may be received throughout the year, but the budgeted amount is not guaranteed.

Expenditures

Salaries and Fringes	Some expenses in this category will occur later in the fiscal year. Will be monitored for adjustments during the next amendment.
Office and Supplies	Some expenses in this category will occur later in the fiscal year. Will be monitored for adjustments during the next amendment.
Contractual/Consulting	Some expenses in this category will occur later in the fiscal year. Will be monitored for adjustments during the next amendment.
Managed Care Info Sys	Some expenses in this category will occur later in the fiscal year.
Legal Expense	Some expenses in this category will occur later in the fiscal year.
Utilities/Conf/Mileage/Misc	This line item includes LRE's contingency fund and will be monitored for adjustments during the next amendment.
Grants - MDHHS & Non-MDHHS	Lower grant activity billed for October.
HRA/Taxes	HRA is typically paid quarterly. First quarter HRA payment will likely be paid in quarter two.
Prevention Exps - Grant/PA2	MDHHS SUD grant payments are made quarterly.
Member Med/HMP Payments	N/A - Closely aligned with the current budget projections.
Member PA2 Tx Payments	Billings against this line item typically occur after other grant funding is applied.
Member Grant Payments	Most of these payments are billed to 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.

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



Statement of Activities - Actual vs. Budget
Fiscal Year 2025/2026

As of Date: 12/31/25

	Year Ending 9/30/2026	12/31/2025		
	FY26 Budget <i>Amendment 1</i>	Budget to Date	Actual	Actual to Budget Variance
Operating Revenues				
Medicaid, HSW, SED, & Children's Waiver	301,240,389	75,310,097	76,292,969	982,872
DHS Incentive	471,247	117,812	-	(117,812)
Autism Revenue	67,936,338	16,984,085	17,802,498	818,414
Healthy Michigan	35,315,883	8,828,971	9,840,716	1,011,745
Performance Bonus Incentive	2,648,663	662,166	-	(662,166)
Hospital Rate Adjuster (HRA)	23,383,692	5,845,923	-	(5,845,923)
Member Local Contribution to State Medicaid	1,007,548	251,887	251,887	-
Health Homes (BHH/SUDHH)	54,672	13,668	6,196	(7,472)
MDHHS Grants	10,798,608	2,699,652	1,098,389	(1,601,263)
PA 2 Liquor Tax	5,166,548	1,291,637	-	(1,291,637)
Interest Earnings	1,365,174	341,294	133,410	(207,884)
Use of ISF/Savings	1,746,450	436,613	-	(436,613)
Miscellaneous Revenue	5,500	1,375	-	(1,375)
Total Operating Revenues	451,140,713	112,785,178	105,426,065	(7,359,113)
Expenditures				
Salaries and Fringes	8,006,979	2,001,745	1,389,450	(612,295)
Office and Supplies Expense	316,958	79,240	47,378	(31,862)
Contractual and Consulting Expenses	1,025,954	256,488	185,593	(70,895)
Managed Care Information System (PCE) *	345,200	86,300	67,907	(18,393)
Legal Expense *	229,000	57,250	31,869	(25,381)
Utilities/Conferences/Mileage/Misc Exps	3,998,465	999,616	(27,818)	(1,027,434)
Grants - MDHHS & Non-MDHHS	637,422	159,356	153,178	(6,178)
Hospital Rate Adjuster / Taxes	28,295,860	7,073,965	1,228,042	(5,845,923)
Prevention Expenses - Grant & PA2	3,214,006	803,502	716,154	(87,348)
SUD Treatment Expenses - Grants	693,492	173,373	93,243	(80,130)
Member Payments - Medicaid/HMP	392,126,153	98,031,538	99,168,704	1,137,166
Member Payments - PA2 Treatment	3,838,837	959,709	430,941	(528,768)
Member Payments - Grants	7,404,838	1,851,210	1,067,618	(783,591)
Local Contribution to State Medicaid	1,007,548	251,887	251,887	(0)
Total Expenditures	451,140,712	112,785,178	104,804,146	(7,981,033)
Total Change in Net Assets	0	0	621,919	621,919

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



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

For the Period ending December 31, 2025

As of Date: 12/31/25

Operating Revenues

Medicaid/HSW/SED/CWP	N/A - Closely aligned with the current budget projections.
DHS Incentive	This revenue is received quarterly beginning in April.
Autism Revenue	N/A - Closely aligned with the current budget projections.
Healthy Michigan	Enrollment figures are declining and subsequent revenues are projected to decrease.
Performance Bonus Incentive	FY26 Revenue will be received after the end of the fiscal year if health plan performance metrics are met.
Hospital Rate Adjuster	HRA is typically paid quarterly. First quarter HRA payment will likely be received in quarter two.
Member Local Match Revenue	N/A - Closely aligned with the current budget projections.
MDHHS Grants	SUD grant payments are received quarterly. First payment expected in quarter two.
PA 2 Liquor Tax	PA2 revenues are received quarterly, after the Department of Treasury issues payments to the counties.
Interest Revenue	Interest is down with 2 CDs maturing. Reinvestment is pending.
Use of ISF/Savings	Revenue will likely be applied to CMHSP Member deficits at year end, as needed, per the Board approved FY26 Risk Management Strategy Plan.
Miscellaneous Revenue	Revenue may be received throughout the year, but the budgeted amount is not guaranteed.

Expenditures

Salaries and Fringes	Some expenses in this category will occur later in the fiscal year. Will be monitored for adjustments during the next amendment.
Office and Supplies	Some expenses in this category will occur later in the fiscal year. Will be monitored for adjustments during the next amendment.
Contractual/Consulting	Some expenses in this category will occur later in the fiscal year. Will be monitored for adjustments during the next amendment.
Managed Care Info Sys	Some expenses in this category will occur later in the fiscal year.
Legal Expense	Some expenses in this category will occur later in the fiscal year. Will be monitored for adjustments during the next amendment.
Utilities/Conf/Mileage/Misc	This line item includes LRE's contingency fund and will be monitored for adjustments during the next amendment.
Grants - MDHHS & Non-MDHHS	N/A - Closely aligned with the current budget projections.
HRA/Taxes	HRA is typically paid quarterly. First quarter HRA payment will likely be paid in quarter two.
Prevention Exps - Grant/PA2	MDHHS SUD grant payments are made quarterly.
Member Med/HMP Payments	N/A - Closely aligned with the current budget projections.
Member PA2 Tx Payments	Billings against this line item typically occur after other grant funding is applied.
Member Grant Payments	Most of these payments are billed to 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.

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

Lakeshore Regional Entity Combined Monthly FSR Summary
 FY 2025
 November 2025 Reporting Month
 Reporting Date: 1/20/26

ACTUAL:	HealthWest	Network180	OnPoint	Ottawa	West Michigan	LRE	Total
Total Distributed Medicaid/HMP Revenue	13,556,717	33,457,492	5,604,545	9,289,868	4,557,204	1,057,074	67,522,901
Total Capitated Expense	10,389,659	35,639,715	5,179,363	7,563,385	3,305,751	1,057,074	63,134,947
Actual Surplus (Deficit)	3,167,058	(2,182,222)	425,182	1,726,483	1,251,454	-	4,387,954
% Variance	23.36%	-6.52%	7.59%	18.58%	27.46%	0.00%	
Information regarding Actual (Threshold: Surplus of 5% and deficit of 1%)	Expenses have been delayed in payment due to the year rollover. We expect this gap to close significantly.	Provider network service costs are consistent with the experience during the latter half of FY25.	OnPoint held on provider rate increase until January 1, 2026 to confirm revenue was coming in as expected. This surplus is expected to be utilized in future months.	Expenses have yet to catch up with actual services provided for the two months this report covers	There has been a delay with some provider contracts which caused a delay in claims submission. WM expects the excess will be minimal once claims are up to date.	Less than threshold for explanation.	
<i>LRE Note: Actual revenue is understated/ (overstated) by the amount listed due to MDHHS paying FY25 rates for waivers instead of FY26 rates. MDHHS intends to recoup and repay at the correct rates at a later date.</i>							
	43,463	(317,692)	(55,294)	(917)	55,639	-	(274,801)
Actual Surplus (Deficit)	3,210,521	(2,499,914)	369,888	1,725,566	1,307,093	-	4,113,153
PROJECTION:	HealthWest	Network180	OnPoint	Ottawa	West Michigan	LRE	Total
LRE Revenue Projections as of: October							
Total Projected Medicaid/HMP Revenue	79,430,870	192,985,427	32,595,721	53,601,952	27,043,915	13,922,556	399,580,442
Total Capitated Expense Projections	75,561,156	195,064,397	32,595,721	57,070,990	27,043,915	13,922,556	401,258,736
Projected Surplus (Deficit)	3,869,714	(2,078,970)	(0)	(3,469,038)	0	-	(1,678,294)
% Variance	4.87%	-1.08%	0.00%	-6.47%	0.00%	0.00%	
Information regarding Projections (Threshold: Surplus of 5% and deficit of 1%)	Less than threshold for explanation.	Projections are consistent with the FY26 spending plan submitted. N180 is seeking additional funding to support programs due to LRE revenue revision.	Less than threshold for explanation.	Projecting similar expenses as last year incl the FY25 deficit currently reporting, of which increase is due to rate increase & utilization, however, medical revenue allocation has decreased for FY26 & is not keeping up with cost of providing services	Less than threshold for explanation.	Less than threshold for explanation.	
PROPOSED SPENDING PLAN: Submitted to the LRE as of: Medicaid/HMP Revenue Total Budgeted Medicaid/HMP Revenue Total Budgeted Capitated Expense Budgeted Surplus (Deficit) % Variance Information regarding Spending Plans (Threshold: Surplus of 5% and deficit of 1%)							
	11/12/2025	11/19/2025	11/10/2025	11/14/2025	11/12/2025		
	79,430,870	192,985,427	32,595,722	53,601,952	27,043,915	13,922,556	399,580,442
	79,162,747	195,064,397	32,595,722	53,601,952	27,043,915	13,922,556	401,391,289
	268,123	(2,078,970)	-	-	-	-	(1,810,847)
	0.34%	-1.08%	0.00%	0.00%	0.00%	0.00%	
	Less than threshold for explanation.	Projections are consistent with the FY26 spending plan submitted. N180 is seeking additional funding to support programs due to LRE revenue revision.	Less than threshold for explanation.	Less than threshold for explanation.	Less than threshold for explanation.	Less than threshold for explanation.	
Variance between Projected and Proposed Spending Plan % Variance Explanation of variances between Projected and Proposed Spending Plan (Threshold: Surplus of 5% and deficit of 1%)							
	3,601,591	0	(0)	(3,469,038)	0	-	132,553
	4.53%	0.00%	0.00%	-6.47%	0.00%	0.00%	
	Less than threshold for explanation.	Less than threshold for explanation.	Less than threshold for explanation.	Spending plan did not take into consideration the FY25 deficit. Current exps projected higher than plan, however, budget reduction and utilization management strategies are currently being discussed in an attempt to address the projected variance	Less than threshold for explanation.	Less than threshold for explanation.	

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

November 2025 Reporting Month
 Reporting Date: 1/20/26

ACTUAL:	HealthWest	Network180	OnPoint	Ottawa	West Michigan	Total
Distributed Medicaid/HMP						
Medicaid/HMP	4,348,852	(1,421,175)	(372,851)	1,008,030	906,990	4,469,847
Autism	(1,138,331)	(1,078,739)	742,739	717,536	400,102	(356,693)
Total Distributed Medicaid/HMP Revenue	<u>3,210,521</u>	<u>(2,499,914)</u>	<u>369,888</u>	<u>1,725,566</u>	<u>1,307,093</u>	<u>4,113,153</u>
PROJECTION:						
Distributed Medicaid/HMP						
Medicaid/HMP	15,761,601	1,566,724	(3,584,400)	(3,140,516)	(2,132,156)	8,471,253
Autism	(11,891,887)	(3,645,694)	3,584,400	(328,522)	2,132,156	(10,149,546)
Total Distributed Medicaid/HMP Revenue	<u>3,869,714</u>	<u>(2,078,970)</u>	<u>(0)</u>	<u>(3,469,038)</u>	<u>0</u>	<u>(1,678,294)</u>

Lakeshore Regional Entity Combined Monthly FSR Summary
 FY 2025
 December 2025 Reporting Month
 Reporting Date: 2/17/26

ACTUAL:	HealthWest	Network180	OnPoint	Ottawa	West Michigan	LRE	Total
Total Distributed Medicaid/HMP Revenue	20,204,643	49,917,281	8,429,301	13,799,818	6,817,662	1,694,379	100,863,083
Total Capitated Expense	18,396,929	52,959,844	7,932,449	12,147,756	5,629,126	1,694,379	98,760,482
Actual Surplus (Deficit)	1,807,714	(3,042,563)	496,852	1,652,062	1,188,536	-	2,102,601
% Variance	8.95%	-6.10%	5.89%	11.97%	17.43%	0.00%	
Information regarding Actual (Threshold: Surplus of 5% and deficit of 1%)	Expenses remain lower due to provider network rate increases not beginning until January 1st. This will close the gap slightly in the coming months.	Provider network service costs are consistent with the experience during the latter half of FY25.	OnPoint held on provider rate increase until January 1, 2026 to confirm revenue was coming in as expected. This surplus is expected to be utilized in future months.	Expenses have yet to catch up with actual services provided for the months covered in this report	There has been a delay with some provider contracts which caused a delay in claims submission. WM expects the excess will be minimal once claims are up to date.	Less than threshold for explanation.	
<i>LRE Note: Actual revenue is understated/ (overstated) by the amount listed due to MDHHS paying FY25 rates for waivers instead of FY26 rates. MDHHS intends to recoup and repay at the correct rates at a later date.</i>							
	72,803	(479,762)	(96,576)	(1,534)	88,075	-	(416,994)
Actual Surplus (Deficit)	1,880,517	(3,522,325)	400,276	1,650,528	1,276,611	-	1,685,607
PROJECTION:	HealthWest	Network180	OnPoint	Ottawa	West Michigan	LRE	Total
LRE Revenue Projections as of: December							
Total Projected Medicaid/HMP Revenue	79,116,525	192,305,302	32,488,202	53,646,324	27,093,995	13,922,556	398,572,904
Total Capitated Expense Projections	83,383,019	195,064,397	32,595,722	57,227,027	27,043,915	13,922,556	409,236,636
Projected Surplus (Deficit)	(4,266,494)	(2,759,095)	(107,520)	(3,580,703)	50,080	-	(10,663,732)
% Variance	-5.39%	-1.43%	-0.33%	-6.67%	0.18%	0.00%	
Information regarding Projections (Threshold: Surplus of 5% and deficit of 1%)	HMP expenses are higher than anticipated. HW will review HMP services provided.	Expense projections are consistent with the FY26 spending plan submitted. N180 is seeking additional funding to support programs due to the revision in revenue projections by the LRE.	Less than threshold for explanation.	Projecting similar expenses as last year incl the FY25 deficit currently reporting, of which increase is due to rate increase & utilization, however, medical revenue allocation has decreased for FY26 & is not keeping up with cost of providing services.	Less than threshold for explanation.	Less than threshold for explanation.	
608,601							
PROPOSED SPENDING PLAN:	HealthWest	Network180	OnPoint	Ottawa	West Michigan	LRE	Total
Submitted to the LRE as of:	11/12/2025	11/19/2025	11/10/2025	11/14/2025	11/12/2025		
Medicaid/HMP Revenue							
Total Budgeted Medicaid/HMP Revenue	79,430,870	192,985,427	32,595,722	53,601,952	27,043,915	13,922,556	399,580,442
Total Budgeted Capitated Expense	79,162,747	195,064,397	32,595,722	53,601,952	27,043,915	13,922,556	401,391,289
Budgeted Surplus (Deficit)	268,123	(2,078,970)	-	-	-	-	(1,810,847)
% Variance	0.34%	-1.08%	0.00%	0.00%	0.00%	0.00%	
Information regarding Spending Plans (Threshold: Surplus of 5% and deficit of 1%)	Less than threshold for explanation.	Projections are consistent with the FY26 spending plan submitted. N180 is seeking additional funding to support programs due to the revision in revenue projections by the LRE.	Less than threshold for explanation.	Less than threshold for explanation.	Less than threshold for explanation.	Less than threshold for explanation.	
Variance between Projected and Proposed Spending Plan	(4,534,617)	(680,125)	(107,520)	(3,580,703)	50,080	-	(8,852,885)
% Variance	-5.71%	-0.35%	-0.33%	-6.68%	0.19%	0.00%	
Explanation of variances between Projected and Proposed Spending Plan (Threshold: Surplus of 5% and deficit of 1%)	Expenditures are coming in higher than anticipated. HW pull high utilization and review client Medicaid programs. The majority are in SUD services in which we are monitoring closely and reviewing.	Less than threshold for explanation.	Less than threshold for explanation.	Spending plan did not take into consideration the FY25 deficit. Current exps projected higher than plan, however, budget reduction and utilization management strategies are currently being discussed in an attempt to address the projected variance	Less than threshold for explanation.	Less than threshold for explanation.	

Lakeshore Regional Entity
FY2026 FSR Monthly Comparison of Surplus/(Deficit) Detail
(Excluding CCBHC)

December 2025 Reporting Month
 Reporting Date: 2/17/26

ACTUAL:	HealthWest	Network180	OnPoint	Ottawa	West Michigan	Total
Distributed Medicaid/HMP						
Medicaid/HMP	828,468	(1,726,209)	(673,693)	530,909	745,997	(294,528)
Autism	1,052,049	(1,796,116)	1,073,969	1,119,619	530,614	1,980,135
Total Distributed Medicaid/HMP Revenue	1,880,517	(3,522,325)	400,276	1,650,528	1,276,611	1,685,607
PROJECTION:	HealthWest	Network180	OnPoint	Ottawa	West Michigan	Total
Distributed Medicaid/HMP						
Medicaid/HMP	(6,106,400)	1,178,986	(3,668,003)	(2,844,303)	(2,056,360)	(13,496,080)
Autism	1,839,906	(3,938,081)	3,560,484	(736,400)	2,106,439	2,832,348
Total Distributed Medicaid/HMP Revenue	(4,266,494)	(2,759,095)	(107,520)	(3,580,703)	50,080	

Lakeshore Regional Entity
 FY2026 FSR Monthly Comparison of Surplus/(Deficit)

Actual	Nov	Dec	Change	Significant Change Explanations
HW	3,210,521	1,880,517	(1,330,003)	Expenses remain lower due to provider network rate increases not beginning until January 1st. This will close the gap slightly in the coming months.
N180	(2,499,914)	(3,522,325)	(1,022,411)	Provider network service costs are consistent with the experience during the latter half of FY25.
OnPoint	369,888	400,276	30,387	
Ottawa	1,725,566	1,650,528	(75,038)	
WM	1,307,093	1,276,611	(30,481)	
Total	4,113,153	1,685,607	(2,427,546)	

Projection	Nov	Dec	Change	Significant Change Explanations
HW	3,869,714	(4,266,494)	(8,136,208)	HW found reporting errors upon review of autism last month. These amounts are now much more in line with historical and our expectations. HMP expenses are higher than anticipated. HW will review HMP services provided.
N180	(2,078,970)	(2,759,095)	(680,125)	Expense projections are consistent with the FY26 spending plan submitted. N180 is seeking additional funding to support programs due to the revision in revenue projections by the LRE.
OnPoint	-	(107,520)	(107,520)	
Ottawa	(3,469,038)	(3,580,703)	(111,665)	No significant change from previous month, however there is a significant variance from the Proposed Spending Plan/Budget that was submitted by CMHOC in November. CMHOC's FY26 Spending Plan did not take into consideration the FY25 deficit. Current expenses projected higher than plan; however, budget reduction and utilization management strategies are currently being discussed within CMHOC in an attempt to address the projected variance
WM	-	50,080	50,080	
Total	(1,678,294)	(10,663,732)	(8,985,438)	

Proposed Spending Plan/Budget	Nov	Dec	Change	Significant Change Explanations
HW	268,123	268,123	-	
N180	(2,078,970)	(2,078,970)	-	
OnPoint	-	-	-	
Ottawa	-	-	-	
WM	-	-	-	
Total	(1,810,847)	(1,810,847)	-	