Meeting Agenda
BOARD OF DIRECTORS
Lakeshore Regional Entity
July 22, 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.
   - July 22, 2026, Board of Directors meeting agenda *(Attachment 1)*
   - May 27, 2026, Board of Directors meeting minutes *(Attachment 2)*

5. Reports –
   a. CEO – Ms. Marlatt-Dumas *(Attachment 3)*

6. Chairperson's Report – Ms. Gardner (*Attachment 4)*
   a. July 15, 2026, Executive Committee

7. Action Items –
   i. LRE Governance Policies *(Attachments 5-10)*
   Suggested Motion: To approve LRE Governance Policies and Procedures and recommended by the Executive Committee:
   - 10.5 Code of Conduct
   - 10.6 Open Meetings Act
   - 10.6a Open Meetings Act Procedure
   - 10.13 Communication and Counsel
   - 10.17 Management Delegation
   - 10.17a Compensation and Benefits Procedure

8. Financial Report and Funding Distribution – Ms. Chick *(Attachment 11)*
   a. FY2026, May and June Funds Distributions *(Attachments 12, 13)*
   Suggested Motion: To approve the FY2026, May and June Funds Distribution as presented.

   b. FY26 Budget Amendment #3 *(Attachments 14)*
   Suggested Motion: To approve the FY26 LRE Budget Amendment #3 as presented.

c. Statement of Activities as of 4/30/2026 and 5/31/2026 with Variance Reports *(Attachment 15, 16)*
d. Monthly FSR *(Attachment 17, 18)*

9. Board Member Comments
10. Public Comment
11. Upcoming LRE Meetings
    - August 19, 2026 – Executive Committee, 1:00PM
    - August 26, 2026 – LRE Executive Board Work Session, 11:00 AM
      GVSU, Muskegon Innovation Hub, 200 Viridian Dr, Muskegon, MI 49440
    - August 26, 2026 – LRE Executive Board Meeting, 1:00 PM
      GVSU, Muskegon Innovation Hub, 200 Viridian Dr, Muskegon, MI 49440
12. Adjourn

LAKESHORE REGIONAL ENTITY

Meeting Minutes
BOARD OF DIRECTORS
Lakeshore Regional Entity
May 27, 2026 – 1:00 PM
GVSU Muskegon Innovation Hub, 200 Viridian Dr, Muskegon, MI 49440

WELCOME AND INTRODUCTIONS – Ms. Gardner
Ms. Gardner called the May 27, 2026, LRE Board of Directors meeting to order at 1:02 PM.

Ms. Gardner introduced new LRE Board member Michelle Ferris, representing Muskegon County.

ROLL CALL/CONFLICT OF INTEREST QUESTION – Ms. Thomas
In Attendance: Jon Campbell, Bob Davis, Michelle Ferris, Patricia Gardner, Janice Hilleary, Richard Kanten, Alice Kelsey, Dave Parnin, Janet Thomas, Craig Van Beek.

Online: Ron Bacon, Stan Stek.
Absent: O'Nealya Gronstal, Andrew Sebolt, Jim Storey.

PUBLIC COMMENT
No public comment.

CONSENT ITEMS:
LRE 26-09 Motion: To approve by consent the following items.

- May 27, 2026, Board of Directors meeting agenda
- April 22, 2026, Board of Directors meeting minutes

Moved: Janice Hilleary Support: Bob Davis
MOTION CARRIED

LEADERSHIP BOARD REPORTS

a. CEO Report
   The CEO report is included in the packet
   - Ms. Marlatt-Dumas attended the Directors Forum retreat at Crystal Mountain and reported that the sessions were valuable. Discussion topics included system challenges and strengths, advocacy priorities, and the Core Components document related to system redesign.
   - There was no update on the cost settlement with MDHHS. Ms. Marlatt-Dumas expressed concern that, depending on the final settlement and CMH positions, the region may not be in strong financial standing when FY2026 closes.

- Regarding the MDHHS-PIHP contract lawsuit, the hearing was held on March 26, 2026, and an opinion and order was issued on April 29, 2026. Some elements were dismissed, while several issues remain. Legal counsel for the PIHPs filed a motion for reconsideration related to the obligation to continue funding.
- The Board-requested needs-based model analysis remains in progress. Work is moving forward, although slowly due to the complexity of the analysis and other competing priorities.
- The draft strategic plan is expected to return to the Board around July for review of the three-year direction developed from Board input.
- The statewide Mental Health Framework remains temporarily paused. Ms. Marlatt-Dumas noted ongoing concerns that the proposal would fragment care, add barriers to access, and increase costs.
- The CoventBridge audit remains underway. Ms. Marlatt-Dumas noted concern that the external audit team may not fully understand Michigan's capitation model and PIHP/CMH structure. Additional data has been requested, and Region 1 have reportedly been asked for specific autism cases, which raises concern given recent federal scrutiny of autism programs in other states.
- The RFP lawsuit was dismissed without prejudice, and an appeal has been filed.

b. COO Report

The COO report is included in the packet.

- The FY2025 Annual Impact Report has been completed and is available on the LRE website. Ms. VanDerKooi highlighted that the report includes service statistics by CMH, demographics, SUD prevention and treatment information, customer service data, Veteran Navigator information, and an executive summary. The finance section will be added when completed. Ms. VanDerKooi notes that artificial intelligence was used to help generate the annual impact report. AI has also been woven into the strategic plan.
- The LRE strategic plan draft incorporates feedback from the Board work session. Staff are reviewing the draft in May, ROAT groups will review it in June, and a July SurveyMonkey will gather feedback on current goals, ROAT group effectiveness, and priorities for the next three fiscal years. The plan is expected to be returned to the Board in July or August for review and approval.
- The SUD strategic plan is also being updated as a separate state-required plan using youth assessment survey data, BH-TEDS data, and national data sources. The plan will be reviewed by the SUD ROAT groups, shared with the Oversight Policy Board in June and September, and brought back to the Board for review.
- Ms. VanDerKooi highlighted the legislative report, which now includes artificial intelligence legislation marked in blue. New items are highlighted in yellow, including youth tobacco legislation and related legislative analyses. The report will also be discussed with the Oversight Policy Board, and there may be an ask of the Board next month depending on that discussion.

- LRE and CMH staff developed a regional autism framework to support more consistent service delivery. The framework will be deployed soon.
- The customer satisfaction survey was distributed in May, earlier than in prior years. The 2025 results are available on the LRE website.
- The next Oversight Policy Board meeting will be held on June 10 at 5:00 PM at Ottawa CMH. The meeting time was adjusted to accommodate members attending the summer conference.
- In response to Board questions, staff will look into better delineating veterans who are unsheltered from those who are in emergency or transitional housing but still classified as homeless. Staff will also distribute the autism report to Board members.

CHAIRPERSON'S REPORT

May 20, 2026, Executive Committee meeting minutes are included in the packet for information.

- The Executive Committee reviewed pending lawsuits, the potential for another RFP, and ongoing financial issues requiring input.
- Ms. Gardner advised that the June Board meeting is likely to be cancelled because the current facility is unavailable and there is not expected to be sufficient business before the Board.

ACTION ITEMS

NA

FINANCIAL REPORT AND FUNDING DISTRIBUTION

The CFO Report is included in the Board packet for information.

Ms. Chick reported that the Treasury and IPA court of claims case was dismissed on May 4, 2026, because the matter was resolved and the gross adjusted payments for the 2025 assessment had been received.

FY2026 April Funds Distribution

April disbursements totaled approximately $37.6 million, about $2.7 million more than the prior month. The increase was primarily due to quarterly Michigan IPA tax payments of approximately $1.2 million and hospital reimbursement adjuster payments of approximately $2.4 million. Approximately 87.7% of monthly disbursements were paid to members and SUD prevention service providers.

LRE 26-10 Motion: To approve the FY2026, April Funds Distribution as presented.

Moved: Bob Davis Support: Jon Campbell
MOTION CARRIED

Statement of Activities as of 3/31/2026 with Variance Report-

Included in the Board packet for information. Revenues were under budget by approximately

$16.8 million, or 7.2%, and expenditures were under budget by approximately $20.5 million, or 8.8%. Variances were primarily related to timing of quarterly payments, delayed hospital rate adjuster payments, lower health home enrollment, grant payment timing, and expenses expected later in the fiscal year.

Monthly FSR-

Included in the Board packet for information.

The March FSR showed an overall surplus of approximately $5.3 million based on actuals through March, with two CMHSPs showing expenditures exceeding revenues and three showing surpluses. Current projections show an overall regional deficit of approximately $15.3 million, which improved by approximately $1.2 million from the prior month. The updated Risk Management Plan submitted to MDHHS has not yet been approved.

BOARD MEMBER COMMENTS

No Board member comments were provided.

PUBLIC COMMENT

- Ms. Johnson, CEO, Thresholds, expressed concern regarding the region's financial situation, noting that providers are equally impacted by the challenges facing CMHs. She stated that providers rely on CMH funding and do not have reserve funds available to offset financial pressures, while also managing expenditure overages and difficult operational decisions. Ms. Johnson emphasized that the region's financial issues have a direct impact on providers and thanked the Board for its awareness and efforts in addressing the situation.
- Dr. Brashears, CEO, reported that Ottawa CMH received a perfect score on its state Recipient Rights audit. He also noted that he sent Ms. Marlatt-Dumas an analysis of a House bill that would allow health plans to conduct hospital prescreens and that the analysis can be shared with Board members. Dr. Brashears further reported that one provider has notified Ottawa CMH it is closing one of its homes due to financial pressures, impacting two individuals who are being assisted with alternative placements.

UPCOMING LRE MEETINGS

- June 11, 2026 – Community Advisory Panel, 1:00 PM
- June 17, 2026 – Executive Committee, 1:00 PM
- June 24, 2026 – LRE Executive Board Meeting, 1:00 PM (TBD)

ADJOURN

Ms. Gardner adjourned the May 27, 2026, LRE Board of Directors meeting at 1:53 PM.

Ron Bacon, Board Secretary

Minutes respectfully submitted by:
Marion Moran, Executive Assistant

LAKESHORE REGIONAL ENTITY

EXECUTIVE COMMITTEE SUMMARY
Wednesday, July 15, 2026, 1:00 PM

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

WELCOME and INTRODUCTIONS

i. Review of July 15, 2026, Meeting Agenda
ii. Review of June 17, 2026, Meeting Minutes

The July 15, 2026, agenda and June 17, 2026, Executive Committee meeting minutes were reviewed. No additions, corrections, or deletions were requested. The Committee agreed to revisit the Board agenda at the end of the meeting if additional items were identified.

MDHHS UPDATES

i. FY22 Cost Settlement Update
   - LRE received an order to appear in court on August 6 in Detroit regarding the FY22 cost settlement. Ms. Marlatt-Dumas will attend in person for arguments. Mr. Ryan, Taft Law, does not need to attend the Board meeting at this time; the Committee agreed it would be more appropriate to wait until after the court appearance and ruling.

ii. 4 PIHPs Lawsuit
   - The 4 PIHP lawsuit is moving forward. The judge ordered the parties to mediation, which aligns with the PIHPs' request for negotiation on the CCBHC, 7.5%, and Waskul-related issues. Ms. Marlatt-Dumas noted that several PIHPs and regions currently have active lawsuits involving the State, reflecting the broader environment facing the behavioral health system.

iii. PIHP Rebid Update
   - The DTMB website indicates that an RFP for the PIHP rebid is expected in August; however, no additional details are available. Ms. Marlatt-Dumas reported that neither the Board Association nor the PIHP CEOs have received further information. The Committee also discussed the recent Gongwer article shared by Alan Bolter, which references statewide opposition to privatization of the public behavioral health system. Marion will forward the article to the Board as a general update.

GOVERNANCE POLICIES/PROCEDURES REVIEW

The Committee reviewed the proposed updates and did not request changes. The Executive Committee recommended moving the governance policies and procedures to the full Board for approval.

i. 10.5 Code of Conduct
ii. 10.6 Open Meetings Act
iii. 10.6a Open Meetings Act Procedure
iv. 10.13 Communication and Counsel
v. 10.17 Management Delegation
vi. 10.10a Compensation and Benefits Procedure

OTTAWA CMH REQUEST FOR LRE LEADERSHIP ACTION ON STATEWIDE EHS RATE ADEQUACY LETTER

Ottawa CMH requested LRE leadership action related to a statewide EHS rate adequacy letter. Ms. Marlatt-Dumas brought the item forward so the Executive Committee would be aware of Ottawa's request before further discussion at Operations Committee. The request is connected to prior discussions about the revenue allocation model and whether the current PMPM methodology is the appropriate way to allocate funding across the region.

Ms. Marlatt-Dumas noted that the key question is whether the issue should be advanced as a regional advocacy request, whether LRE should advocate on behalf of Ottawa CMH only, or whether all CMHs support the request. If all five CMH directors agree, the matter could be brought to the Board as a regional request. If there is no regional agreement, LRE could still advocate with or for Ottawa CMH, but the Board and State would need to understand that not all CMHs agree.

Dr. Brashears, CEO (Ottawa CMH) stated that this is not a new issue and that Ottawa has provided data and communication to LRE for more than 12 months. Ottawa completed an analysis identifying 17 individuals whose costs total approximately $5.2 million and appear to fall outside how the State configures rates for the region. Ottawa's request is for the State and region to review and confirm whether those assumptions are accurate and whether these costs are appropriately reflected in rate development.

Ms. Marlatt-Dumas stated that LRE needs additional information from Ottawa, including the underlying data supporting the analysis, and may request similar information from other CMHs if they are experiencing comparable high-cost populations. Ms. Marlatt-Dumas also noted that additional clinical review is needed to better understand whether the individuals are new to the system, have historically been served, or whether their needs and costs have changed over time.

Mr. Ward, CEO (N180), commented that the letter is tied to the revenue allocation model. Network180's Board has also expressed support for reviewing whether the current funding methodology is fair and whether the system is structured correctly. He stated there is no harm in looking at the issue as a first step.

The Committee discussed whether a carve-out or separate State funding mechanism may be needed for individuals with high-acuity, high-cost needs that are not adequately reflected in the whole capitated rate. Ms. Thomas noted that multiple entities may have small groups of individuals whose needs significantly impact available funding, particularly given system pressures such as state facility closures and increasing care needs.

LRE will bring a summary of the revenue allocation model analysis to Operations Committee and then to the Board at a higher level. Finance and IT staff are expected to present the Board with the key findings, options for next steps, and a request for directions on how to proceed.

BOARD MEETING AGENDA ITEMS

i. Budget Amendment #3
   - Budget Amendment #3 will include typical revenue and expenditure adjustments, including SUD budget updates approved by the Oversight Policy Board. Ms. Chick noted that the amendment is routine for this time of year and does not include anything out of the ordinary.

ii. Revenue Allocation Model Pending Operations Committee Review

iii. LRE Board Survey
   - **Timing:** The Board survey will likely be sent shortly after the July Board meeting so the discussion remains fresh for Board members.
   - **Purpose:** The survey will gather Board input for the strategic plan and organizational feedback process.
   - **Strategic Plan Draft:** Ms. VanDerKooi has developed a strong draft of the strategic plan. After review by internal groups and staff, the draft is expected to come to the Board in August.

BOARD WORK SESSION AGENDA

There will be no Board Work Session in July. The revenue allocation model presentation is expected to take approximately 15 minutes and will be included during the regular Board meeting. A Board Work Session is planned for August to review the organizational and Substance Use Disorder (SUD) Strategic Plans.

OTHER

EXECUTIVE COMMITTEE/CEO SESSION (STANDING ITEM)

UPCOMING MEETINGS

- July 22, 2026 – LRE Executive Board Meeting, 1:00 PM
  GVSU, Muskegon Innovation Hub, 200 Viridian Dr, Muskegon, MI 49440
- August 19, 2026 – Executive Committee, 1:00PM
- August 26, 2026 – LRE Executive Board Work Session, 11:00 AM
  GVSU, Muskegon Innovation Hub, 200 Viridian Dr, Muskegon, MI 49440
- August 26, 2026 – LRE Executive Board Meeting, 1:00 PM
  GVSU, Muskegon Innovation Hub, 200 Viridian Dr, Muskegon, MI 49440

ADJOURN

Policy 10.5

POLICY TITLE: CODE OF CONDUCT	POLICY # 10.5	REVIEW DATES	
Topic Area: Board of Directors	**Issued By and Approved By:** Board of Directors	11/18/21	1/22/25
Applies to: Board of Directors			
Review Cycle: Annually			
Developed and Maintained by: CEO and Designees			
Supersedes: N/A	**Effective Date:** 9/17/16	**Revised Date:** 3/26/2025	

I. PURPOSE

Directors serving on the Lakeshore Regional Entity (LRE) Board of Directors commit to ethical, lawful, and professional conduct, including appropriate use of authority and respectful decorum while performing Board duties.

~~Directors serving on the Lakeshore Regional Entity (LRE) Board of Directors commit themselves to ethical, lawful, and businesslike conduct, including proper use of authority and appropriate decorum, when acting as an LRE Board Director.~~

II. POLICY

Each Director acts in the best interests of LRE in its role as the Region 3 Prepaid Inpatient Health Plan (PIHP). Directors will carry out their duties consistent with the Michigan Mental Health Code, applicable federal Medicaid managed care requirements (including 42 CFR Part 438), the MDHHS/PIHP Master Contract, and the LRE Board By-Laws. This duty supersedes conflicts of loyalty to other interests, including advocacy or interest groups, other board service, personal relationships, or personal interests.

~~It is the policy that each Director represents the interests of the LRE. This accountability supersedes any potential conflicts of loyalty to other interests including advocacy or interest groups, membership on other boards, relationships with others or personal interests of any Director.~~

Board duties (PIHP governance): The Board provides active oversight of PIHP operations and maintains a governance structure that supports compliance and effective administration. At a minimum, the Board will:

- Adopt and periodically review key governance documents (e.g., Board By-Laws, conflict of interest, compliance plan, and this Code of Conduct).
- Oversee compliance with the MDHHS/PIHP Master Contract and applicable state and federal requirements, including 42 CFR Part 438.
- Oversee quality improvement and performance accountability, including review of quality/outcomes reporting.

- Oversee program integrity and financial stewardship, including monitoring for waste, fraud, and abuse.
- Oversee any delegated functions through written agreements, monitoring, and remediation.
- Ensure processes support member rights, including grievances and appeals, and use reporting for improvement.
- Ensure secure handling of Board information and protection of confidentiality and privacy.

1. Directors will comply with the LRE Conflict of Interest Policy and promptly disclose actual or potential conflicts.

~~1. All Directors will follow the LRE Conflict of Interest Policy.~~

1. No individual Director may direct staff, commit the organization, or act on behalf of LRE unless the authority is explicitly granted in Board policy, the Board By-Laws, or a written Board action.

~~2. No member of the Board of Directors shall have individual authority over the organization except as explicitly set forth in the LRE Board of Directors policies or otherwise authorized in writing by the LRE Board of Directors.~~

   a. A Director may not supervise, hire, fire, discipline, or evaluate the Chief Executive Officer (CEO) or any LRE employee, agent, or staff member except through formal Board action and as permitted by the Board's governing documents.

   ~~a. No member of the Board of Directors shall have any authority to act on behalf of the organization, bind the organization, or exert any authority over the LRE Chief Executive Officer (CEO), administration or any LRE employee, agent or staff, except as explicitly authorized in writing by the LRE Board of Directors.~~

   b. The CEO is the primary point of contact and spokesperson for LRE. If the CEO is unavailable, the Board Chair serves as spokesperson. No Director may speak publicly or respond to inquiries on behalf of LRE without prior Board authorization.

   ~~b. To ensure appropriate communication and preserve confidentiality, the Board of Directors designates the CEO as the primary point of contact and spokesperson for the Entity. If the CEO is not available to respond to inquiries from or interactions with the public, press, or other third parties, the Board Chair shall be the primary point of contact and spokesperson. The Board Chair shall consult with the Board of Directors in advance on any such responses or communications but shall solely serve as spokesperson for the organization to ensure appropriate confidentiality protections and avoid inconsistencies in messaging. No individual member of the Board shall make any public response or statement on behalf of the organization without prior authorization from the Board of Directors.~~

2. Confidentiality and privacy:

~~3. Confidentiality:~~

   a. Directors will protect confidential information learned through Board service, including protected health information and sensitive business information, and will follow applicable confidentiality requirements (including HIPAA and 42 CFR Part 2, as applicable), the MDHHS/PIHP Master Contract, and LRE policies.

~~a. Directors will respect confidentiality including, but not limited to, those related to business, strategy and all applicable laws.~~

3. Directors will review materials in advance and come prepared to participate in deliberations and make informed decisions.

~~4. Directors will be properly prepared for LRE Board of Directors deliberations to make informed decisions on behalf of the Entity.~~

4. After the Board makes a decision, Directors will support the Board's final action, regardless of an individual Director's prior position.

~~5. Board Directors will support the legitimacy and authority of the final determination of the LRE Board of Directors on any matter, without regard to the Board Director's personal position on the issue.~~

a. If a Director discusses a Board decision outside of a meeting, the Director must clearly state they are speaking only for themselves (not the Board or LRE) and must continue to follow the confidentiality and spokesperson requirements in this policy.

~~a. If an individual Board member disagrees with a decision made by the Board, they shall identify if speaking on the matter after the meeting that they are speaking as an individual and not for the Board.~~

III. APPLICABILITY AND RESPONSIBILITY

This policy applies to the Directors serving on the LRE Board of Directors.

IV. MONITORING AND REVIEW

This policy is reviewed by the CEO and designees on an annual basis.

V. DEFINITIONS

Conflict of Interest: Any actual or proposed direct or indirect financial relationship or ownership interest between each individual director and any entity with which the LRE has or proposes to have a contract, affiliation, arrangement, or other transaction.

Lakeshore Regional Entity – Also referred to as LRE or the Entity, is the Prepaid Inpatient Health Plan (PIHP) for Region 3 as defined in 42 CFR Part 438 and meets the requirements of MCL 330.1204b of the Michigan Mental Health Code.

VI. RELATED POLICIES AND PROCEDURES

A. Conflict of Interest Policy
B. Compliance Plan
C. Board By-Laws

VII. REFERENCES/LEGAL AUTHORITY

A. MDHHS/PIHP Master Contract
B. 42 CFR Part 2
C. 42 CFR Part 438

~~C.~~D. Michigan Mental Health Code

VIII. CHANGE LOG

Date of Change	Description of Change	Responsible Party
11/18/21	Add references	CEO and Designees
3/26/2025	Language revised	CEO and Board
3/16/2026	Aligned with Michigan Mental Health Code and 42 CFR Part 438 governance expectations; revised for clarity and added Board duties summary.	CEO and Board

Executive Summary of Changes

This revision clarifies Board conduct standards and PIHP governance duties, and aligns the policy with the Michigan Mental Health Code and 42 CFR Part 438.

- Updated POLICY language to reflect PIHP governance requirements (Michigan Mental Health Code; 42 CFR Part 438; MDHHS/PIHP Master Contract).
- Added a concise "Board duties (PIHP governance)" summary.
- Simplified expectations for conflicts of interest, spokesperson communications, confidentiality/privacy, meeting preparation, and support of Board decisions.
- Added 42 CFR Part 438 to References/Legal Authority.

POLICY TITLE: CODE OF CONDUCT	POLICY # 10.5	REVIEW DATES	
Topic Area: Board of Directors		11/18/21	1/22/25
Applies to: Board of Directors	**Issued By and Approved By:** Board of Directors		
Review Cycle: Annually			
Developed and Maintained by: CEO and Designees			
Supersedes: N/A	**Effective Date:** 9/17/16	**Revised Date:** 3/26/2025	

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II. POLICY

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Board duties (PIHP governance): The Board provides active oversight of PIHP operations and maintains a governance structure that supports compliance and effective administration. At a minimum, the Board will:

- Adopt and periodically review key governance documents (e.g., Board By-Laws, conflict of interest, compliance plan, and this Code of Conduct).
- Oversee compliance with the MDHHS/PIHP Master Contract and applicable state and federal requirements, including 42 CFR Part 438.
- Oversee quality improvement and performance accountability, including review of quality/outcomes reporting.
- Oversee program integrity and financial stewardship, including monitoring for waste, fraud, and abuse.
- Oversee any delegated functions through written agreements, monitoring, and remediation.
- Ensure processes support member rights, including grievances and appeals, and use reporting for improvement.
- Ensure secure handling of Board information and protection of confidentiality and privacy.

1. Directors will comply with the LRE Conflict of Interest Policy and promptly disclose actual or potential conflicts.

1. No individual Director may direct staff, commit the organization, or act on behalf of LRE unless the authority is explicitly granted in Board policy, the Board By-Laws, or a written Board action.
    a. A Director may not supervise, hire, fire, discipline, or evaluate the Chief Executive Officer (CEO) or any LRE employee, agent, or staff member except through formal Board action and as permitted by the Board's governing documents.
    b. The CEO is the primary point of contact and spokesperson for LRE. If the CEO is unavailable, the Board Chair serves as spokesperson. No Director may speak publicly or respond to inquiries on behalf of LRE without prior Board authorization.
2. Confidentiality and privacy:
    a. Directors will protect confidential information learned through Board service, including protected health information and sensitive business information, and will follow applicable confidentiality requirements (including HIPAA and 42 CFR Part 2, as applicable), the MDHHS/PIHP Master Contract, and LRE policies.
3. Directors will review materials in advance and come prepared to participate in deliberations and make informed decisions.
4. After the Board makes a decision, Directors will support the Board's final action, regardless of an individual Director's prior position.
    a. If a Director discusses a Board decision outside of a meeting, the Director must clearly state they are speaking only for themselves (not the Board or LRE) and must continue to follow the confidentiality and spokesperson requirements in this policy.

III. APPLICABILITY AND RESPONSIBILITY

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IV. MONITORING AND REVIEW

This policy is reviewed by the CEO and designees on an annual basis.

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VI. RELATED POLICIES AND PROCEDURES

A. Conflict of Interest Policy
B. Compliance Plan

C. Board By-Laws

VII. REFERENCES/LEGAL AUTHORITY

A. MDHHS/PIHP Master Contract
B. 42 CFR Part 2
C. 42 CFR Part 438
D. Michigan Mental Health Code

VIII. CHANGE LOG

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- Added a concise “Board duties (PIHP governance)” summary.
- Simplified expectations for conflicts of interest, spokesperson communications, confidentiality/privacy, meeting preparation, and support of Board decisions.
- Added 42 CFR Part 438 to References/Legal Authority.

Policy 10.6

POLICY TITLE: OPEN MEETINGS, FREEDOM OF INFORMATION AND REASONABLE ACCOMMODATION	POLICY # 10.6	
Topic Area: Governance/Management	Page 1 of ~~5~~2	**REVIEW DATES**
Applies to: LRE Executive Board	**ISSUED BY:** Chief Executive Officer	1/25/23 / 12/17/24
Developed and Maintained by: LRE Executive Board, LRE CEO	**APPROVED BY:** Board of Directors	
Supersedes: N/A	**Effective Date:** 1/25/2023	**Revised Date:** 12/27/24

I. PURPOSE

To define requirements for the LRE Board to operate in compliance with Michigan's Open Meetings Act, 1976 PA 267; the Freedom of Information Act, 1976 PA 422; Title VII of the Civil Rights Act of 1964; the Americans with Disabilities Act; and the ADA Amendments Act of 2008.

~~To provide the LRE Board specific requirements for operating in compliance with Michigan's Open Meetings Act, 1976 PA 267, the Freedom of Information Act, 1976 PA 422; Title VII of the Civil Rights Act of 1964; Americans with Disabilities Act, and the ADA Amendments Act of 2008~~

II. POLICY

The Lakeshore Regional Entity Board of Directors, officers, staff, and other employees shall comply with all applicable laws, regulations, and rules, including 1976 PA 267 (the "Open Meetings Act"), 1976 PA 422 (the "Freedom of Information Act"), Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, and the ADA Amendments Act of 2008.

~~The Lakeshore Regional Entity Board of Directors members, officers, staff and other employees shall fully comply with all applicable laws, regulations and rules, including without limitation 1976 PA 267 (the "Open Meetings Act"), 1976 PA 422 (the "Freedom of Information Act"), Title VII of the Civil Rights Act of 1964; Americans with Disabilities Act, and the ADA Amendments Act of 2008.~~

The Regional Entity shall maintain compliance policies and procedures. If noncompliance is identified, the appropriate party will take immediate corrective action as defined in the Lakeshore Regional Entity Operating Agreement to restore compliance. Compliance policies and procedures are further defined in the Operating Agreement.

~~The Regional Entity shall develop such compliance policies and procedures. If any such noncompliance is found, immediate corrective action as defined in the Lakeshore Regional Entity~~

~~Operating Agreement shall be taken by the appropriate source to ensure compliance. Compliance policies and procedures will be defined in the Operating Agreement.~~

III. APPLICABILITY AND RESPONSIBILITY

This policy applies to the LRE CEO and Board.
~~This policy applies to the LRE CEO and Board.~~

IV. MONITORING AND REVIEW

The LRE CEO and Board will review this policy annually.
~~This policy will be reviewed annually by the LRE CEO~~

V. DEFINITIONS

Closed Session: A meeting or part of a meeting of a public body that is closed to the public.

Decision: A determination, action, vote, or disposition upon a motion, proposal, recommendation, resolution, order, ordinance, bill, or measure on which a vote by members of a public body is required and by which a public body effectuates or formulates public policy

Disability: A mental or physical impairment, or a record or history of such an impairment, that substantially limits one or more major life activities.
~~**Disability:** a mental or physical impairment, or a record or history of such an impairment, that prevents participation in major life activities.~~

Disabled Person: Someone who has a mental or physical impairment, or a record or history of such an impairment, that substantially limits one or more major life activities.
~~**Disabled Person:** Someone who has a mental or physical impairment, or a record or history of such an impairment, that prevents participation in major life activities.~~

Public Body: Any state or local legislative or governing body, including a board, commission, committee, subcommittee, authority, or council, that is empowered by state constitution, statute, charter, ordinance, resolution, or rule to exercise governmental or proprietary authority or perform a governmental or proprietary function; a lessee of such a body performing an essential public purpose and function pursuant to the lease agreement; or the board of a nonprofit corporation formed by a city under section 4o of the home rule city act, 1909 PA 279, MCL 117.4o.

Meeting: The convening of a public body at which a quorum is present for the purpose of deliberating toward or rendering a decision on a public policy, or any meeting of the board of a nonprofit corporation formed by a city under section 4o of the home rule city act, 1909 PA 279, MCL 117.4o.

Reasonable Accommodation: A modification or adjustment to a job, the work environment, or the way things are usually done that enables a qualified individual with a disability to enjoy equal employment opportunity (i.e., the opportunity to attain the same level of performance, benefits, and privileges as similarly situated employees without a disability).

~~**Reasonable Accommodation:** A reasonable accommodation is a modification or adjustment to a job, the work environment, or the way things usually are done that enables a qualified individual with a disability to enjoy an equal employment opportunity. An equal employment opportunity means an opportunity to attain the same level of performance or to enjoy equal benefits and privileges of employment as are available to an average similarly situated employee without a disability.~~

The ADA requires reasonable accommodation in three aspects of employment:

~~The ADA requires reasonable accommodation in three aspects of employment:~~

1. Ensure equal opportunity in the application process.
2. Enable a qualified individual with a disability to perform the essential functions of a job.
3. Enable an employee with a disability to enjoy equal benefits and privileges of employment.

~~1) to ensure equal opportunity in the application process,~~

~~2) to enable a qualified individual with a disability to perform the essential functions of a job, and~~

~~3) to enable an employee with a disability to enjoy equal benefits and privileges of employment.~~

Mental impairment: Any psychological or mental disorder, such as emotional or mental illness, intellectual disability, organic brain syndrome, and learning disabilities. Examples include, but are not limited to:

~~**Mental impairment:** Any psychological or mental disorder, such as emotional or mental illness, mental retardation, organic brain syndrome, and learning disabilities. These include, but are not limited to:~~

- ~~Muscular dystrophy~~
- ~~Orthopedic, speech, and hearing impairments~~
- ~~Visual impairments~~
- ~~Hearing impairments~~
- ~~Heart disease~~
- ~~Epilepsy~~
- ~~Cerebral palsy~~
- ~~Intellectual/Developmental disability~~
- ~~Drug addiction~~
- ~~Specific learning disabilities~~

Physical Impairment: A physiological disorder or condition, anatomical loss, or cosmetic disfigurement that impacts one or more of the body systems:
~~**Physical Impairment:** A physiological disorder or condition, anatomical loss, or cosmetic disfigurement that impacts one or more of these body systems:~~

- ~~Neurological~~
- ~~Special sense organs~~
- ~~Musculoskeletal~~
- ~~Digestive~~
- ~~Cardiovascular~~
- ~~Respiratory~~
- ~~Reproductive~~
- ~~Hemic and lymphatic~~
- ~~Endocrine~~
- ~~Skin~~
- ~~Genitourinary~~

~~**VI. PROCEDURES**~~

~~LRE shall operate in compliance with the procedures prescribed in Michigan's Open Meetings Act, 1976 PA 247, in Michigan's Freedom of Information Act, 1976 PA 442, Title VII of the Civil Rights Act of 1964; Americans with Disabilities Act, and the ADA Amendments Act of 2008~~

~~Board members seeking reasonable accommodations will submit a formal request using the "Reasonable Accommodations Request Form" to the LRE Board Executive Committee. The request will be reviewed by the Executive Committee during the next regularly scheduled Executive Committee meeting and a disposition provided to the requesting Board member within seven (7) days of the date of review.~~

~~VII.~~VI. RELATED POLICIES AND PROCEDURES

- Michigan's Open Meetings Act, 1976 PA 247. http://www.legislature.mi.gov/(S(y0izyfd1uq0jvg2hi5ziwenc))/mileg.aspx?page=GetObject&objectname=mcl-Act-267-of-1976
- Michigan's Freedom of Information Act, 1976 PA 442 http://www.legislature.mi.gov/(S(getco1pddofdrjvliafthpbl))/mileg.aspx?page=GetObject&objectname=mcl-Act-442-of-1976
- Lakeshore Regional Entity Operating Agreement
- Title VII of the Civil Rights Act of 1964;
- Americans with Disabilities Act;
- ADA Amendments Act of 2008
- Michigan Elliott-Larsen Civil Rights Act
- LRE Policy
- LRE Reasonable Request for Accommodation

~~VIII.~~VII. CHANGE LOG

Date of Change	Description of Change	Responsible Party
12/27/24	Reviewed – No Changes	CEO
3/16/26	Edited for concision/readability; reformatted definitions/lists; standardized PA citations (267/422) Separated procedure from policy	CEO

A. Executive Summary of Changes

Edited for concision and readability across PURPOSE, POLICY, MONITORING AND REVIEW, and PROCEDURES while keeping meaning and all statutory references.

- Standardized citations for Michigan's Open Meetings Act and Freedom of Information Act where obvious typographical inconsistencies appeared (PA 267 and PA 422).
- Reformatted the Reasonable Accommodation definition and its three ADA aspects into a clear numbered list.
- Converted impairment examples and body-system lists into clean bulleted lists and corrected minor typos for easier scanning.
- Clarified the reasonable accommodation request procedure without changing roles, form name, meeting cadence, or the seven (7) day timeframe.
- Separated the procedure from policy

POLICY TITLE: OPEN MEETINGS, FREEDOM OF INFORMATION AND REASONABLE ACCOMMODATION	POLICY # 10.6	
Topic Area: Governance/Management	Page 1 of 3	**REVIEW DATES**
Applies to: LRE Executive Board	**ISSUED BY:** Chief Executive Officer	1/25/23 / 12/17/24
Developed and Maintained by: LRE Executive Board, LRE CEO	**APPROVED BY:** Board of Directors	
Supersedes: N/A	**Effective Date:** 1/25/2023	**Revised Date:** 12/27/24

I. PURPOSE

To define requirements for the LRE Board to operate in compliance with Michigan's Open Meetings Act, 1976 PA 267; the Freedom of Information Act, 1976 PA 422; Title VII of the Civil Rights Act of 1964; the Americans with Disabilities Act; and the ADA Amendments Act of 2008.

II. POLICY

The Lakeshore Regional Entity Board of Directors, officers, staff, and other employees shall comply with all applicable laws, regulations, and rules, including 1976 PA 267 (the "Open Meetings Act"), 1976 PA 422 (the "Freedom of Information Act"), Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, and the ADA Amendments Act of 2008.

The Regional Entity shall maintain compliance policies and procedures. If noncompliance is identified, the appropriate party will take immediate corrective action as defined in the Lakeshore Regional Entity Operating Agreement to restore compliance. Compliance policies and procedures are further defined in the Operating Agreement.

III. APPLICABILITY AND RESPONSIBILITY

This policy applies to the LRE CEO and Board.

IV. MONITORING AND REVIEW

The LRE CEO and Board will review this policy annually.

V. DEFINITIONS

Closed Session: A meeting or part of a meeting of a public body that is closed to the public.

Decision: A determination, action, vote, or disposition upon a motion, proposal, recommendation, resolution, order, ordinance, bill, or measure on which a vote by

members of a public body is required and by which a public body effectuates or formulates public policy

Disability: A mental or physical impairment, or a record or history of such an impairment, that substantially limits one or more major life activities.

Disabled Person: Someone who has a mental or physical impairment, or a record or history of such an impairment, that substantially limits one or more major life activities.

Public Body: Any state or local legislative or governing body, including a board, commission, committee, subcommittee, authority, or council, that is empowered by state constitution, statute, charter, ordinance, resolution, or rule to exercise governmental or proprietary authority or perform a governmental or proprietary function; a lessee of such a body performing an essential public purpose and function pursuant to the lease agreement; or the board of a nonprofit corporation formed by a city under section 4o of the home rule city act, 1909 PA 279, MCL 117.4o.

Meeting: The convening of a public body at which a quorum is present for the purpose of deliberating toward or rendering a decision on a public policy, or any meeting of the board of a nonprofit corporation formed by a city under section 4o of the home rule city act, 1909 PA 279, MCL 117.4o.

Reasonable Accommodation: A modification or adjustment to a job, the work environment, or the way things are usually done that enables a qualified individual with a disability to enjoy equal employment opportunity (i.e., the opportunity to attain the same level of performance, benefits, and privileges as similarly situated employees without a disability).

The ADA requires reasonable accommodation in three aspects of employment:

1. Ensure equal opportunity in the application process.
2. Enable a qualified individual with a disability to perform the essential functions of a job.
3. Enable an employee with a disability to enjoy equal benefits and privileges of employment.

Mental impairment: Any psychological or mental disorder, such as emotional or mental illness, intellectual disability, organic brain syndrome, and learning disabilities.

Physical Impairment: A physiological disorder or condition, anatomical loss, or cosmetic disfigurement that impacts one or more of the body systems:

VI. RELATED POLICIES AND PROCEDURES

- Michigan's Open Meetings Act, 1976 PA 247. http://www.legislature.mi.gov/(S(y0izyfd1uq0jvg2hi5ziwenc))/mileg.aspx?page=GetObject&objectname=mcl-Act-267-of-1976
- Michigan's Freedom of Information Act, 1976 PA 442 http://www.legislature.mi.gov/(S(getco1pddofdrjvliafthpbl))/mileg.aspx?page=GetObject&objectname=mcl-Act-442-of-1976
- Lakeshore Regional Entity Operating Agreement
- Title VII of the Civil Rights Act of 1964;
- Americans with Disabilities Act;
- ADA Amendments Act of 2008
- Michigan Elliott-Larsen Civil Rights Act
- LRE Policy
- LRE Reasonable Request for Accommodation

VII. CHANGE LOG

Date of Change	Description of Change	Responsible Party
12/27/24	Reviewed – No Changes	CEO
3/16/2026	Edited for concision/readability; reformatted definitions/lists; standardized PA citations (267/422)Separated procedure from policy	CEO and Board

Executive Summary of Changes

A. Edited for concision and readability across PURPOSE, POLICY, MONITORING AND REVIEW, and PROCEDURES while keeping meaning and all statutory references.

- Standardized citations for Michigan's Open Meetings Act and Freedom of Information Act where obvious typographical inconsistencies appeared (PA 267 and PA 422).
- Reformatted the Reasonable Accommodation definition and its three ADA aspects into a clear numbered list.
- Converted impairment examples and body-system lists into clean bulleted lists and corrected minor typos for easier scanning.
- Clarified the reasonable accommodation request procedure without changing roles, form name, meeting cadence, or the seven (7) day timeframe.
- Separated the procedure from policy

ORGANIZATIONAL PROCEDURE

PROCEDURE # 10.6A		**EFFECTIVE DATE**	**REVISED DATE**
TITLE:	**OPEN MEETINGS ACT**		
ATTACHMENT TO		**REVIEW DATES**	
POLICY #:	**10.6**		
POLICY TITLE:	**OPEN MEETING ACT**		
CHAPTER:	**BOARD GOVERNANCE**		

I. PURPOSE

The purpose of this procedure is to ensure LRE Board meetings are conducted in compliance with Michigan's Open Meetings Act by establishing consistent requirements for notice, accessibility, public participation, and documentation of official actions.

II. PROCEDURES

LRE shall operate in compliance with Michigan's Open Meetings Act, 1976 PA 267; Michigan's Freedom of Information Act, 1976 PA 422; Title VII of the Civil Rights Act of 1964; the Americans with Disabilities Act; and the ADA Amendments Act of 2008.

Board members requesting reasonable accommodations shall submit a formal request using the "Reasonable Accommodations Request Form" to the LRE Board Executive Committee. The Executive Committee will review the request at its next regularly scheduled meeting and provide a disposition within seven (7) days after the review date.

III. CHANGE LOG

Date of Change	Description of Change	Responsible Party
New Procedure		CEO and Board

Policy 10.13

POLICY TITLE: **COMMUNICATION AND COUNSEL TO THE BOARD OF DIRECTORS**		**POLICY #: 10.13**	
Topic Area: Executive Responsibility	**Issued By and Approved By:** Board of Directors	**REVIEW DATES**	
Applies to: Chief Executive Officer, Chief Compliance Officer, Chief Financial Officer		11/18/21	
		1/8/2025	
Developed and Maintained by: CEO and Designees			
Supersedes: N/A		**Effective Date:** 9/17/16	**Revised Date:** 1/8/2025

I. PURPOSE

To support sound decision-making, the Entity Board of Directors receives timely, relevant information from Entity executive staff.

~~To make appropriate decisions, the Entity Board of Directors must be informed of relevant information by the Entity Executive staff.~~

II. POLICY

Chief Executive Officer

The Lakeshore Regional Entity (the "Entity") Chief Executive Officer (CEO) ensures the Entity Board of Directors is informed and supported in its work.

~~The Lakeshore Regional Entity (the "Entity") Chief Executive Officer (CEO) shall ensure that the Entity Board of Directors is informed and supported in its work.~~

The CEO will:~~The Entity CEO must:~~

1. Provide required monitoring data in a timely, accurate, and easy-to-understand format that directly addresses the provisions being monitored and includes the CEO's interpretation and relevant supporting data.

~~1. Submit monitoring data required by the Entity Board of Directors in a timely, accurate, and understandable fashion, directly addressing provisions of Entity Board of Directors policies being monitored and including the Entity CEO interpretations as well as relevant data.~~

2. Promptly inform the Entity Board of Directors of any actual or anticipated noncompliance with Entity Board of Directors policies.

~~2. Ensure that the Entity Board of Directors is aware of any noncompliance actual or anticipated of Entity Board of Directors.~~

3. Provide information that helps the Entity Board of Directors understand relevant trends.

~~3. Ensure that the LRE Board of Directors has adequate information to be aware of relevant trends.~~

4. Inform the Entity Board of Directors of significant matters, including impending media coverage, threatened or pending litigation, and material internal or external changes.

~~4. Inform the Entity Board of Directors of any significant information on impending media coverage, threatened or pending lawsuits, and material internal and external changes.~~

5. Advise the Entity Board of Directors when, in the CEO's opinion, the Board is not in compliance with its policies, particularly when Board behavior may harm the working relationship between the Board and the CEO.

~~5. Ensure that the Entity Board of Directors is aware that, in the Entity CEO's opinion, the Entity Board of Directors is not in compliance with its own policies, particularly in the case of the Entity Board of Directors behavior that is detrimental to the work relationship between the Entity Board of Directors and the Entity CEO.~~

6. Present information clearly and concisely, and distinguish among (a) monitoring, (b) decision preparation, and (c) other information.

~~6. Refrain from presenting information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and other.~~

7. Maintain a workable mechanism for official communications from the Entity Board of Directors, officers, and committees.

~~7. Ensure that the Entity Board of Directors will have a workable mechanism for official Entity Board of Directors, officers, or committee's communications.~~

8. Communicate with Board members in a fair and consistent manner, without favoring or privileging any member, except when fulfilling individual information requests or responding to duly authorized officers or committees.

~~8. Not deal with individual Entity Board of Directors in a way that favors or privileges certain the Entity Board of Directors members over others, except when fulfilling individual requests for information or responding to officers or committees duly charged by the Entity Board of Directors.~~

9. Submit a consent agenda for items delegated to the CEO that must be approved by the Entity Board of Directors by law, regulation, or contract, along with applicable monitoring information.

~~9. Submit to the Entity Board of Directors a consent agenda containing items delegated to the Entity CEO required by law, regulation, or contract to be approved by the Entity Board of Directors, along with applicable monitoring information.~~

Chief Financial Officer and Chief Compliance Officer

The Chief Financial Officer and Chief Compliance Officer have direct access to the Entity Board of Directors.

~~The Financial Officer and Chief Compliance Officer shall have direct access to the Entity Board of Directors.~~

III. APPLICABILITY AND RESPONSIBILITY

This policy applies to the Entity Board of Directors, Entity CEO, Entity Chief Compliance Officer, and the Entity Chief Financial Officer.

IV. MONITORING AND REVIEW

The CEO and Board review this policy annually.
~~The CEO and designees will review this policy on an annual basis.~~

V. DEFINITIONS

Entity – Also referred to as Lakeshore Regional Entity or LRE, is the Prepaid Inpatient Health Plan (PIHP) for Region 3 as defined in 42 CFR Part 438 and meets the requirements of MCL 330.1204b of the Michigan Mental Health Code.

VI. RELATED POLICIES AND PROCEDURES

A. Compliance Policies and Procedures
B. Board Policies and Procedures
C. Board By-Laws

VII. REFERENCE/LEGAL AUTHORITY

N/A

CHANGE LOG Date of Change	Description of Change	Responsible Party
11/18/21	Moved procedure to policy section. Added language from 10.17	CEO and ~~Designees~~Board
1/8/2025	Added Entity Definition	CEO
3/16/26	Edited for concision, readability, and positive tone; added Executive Summary	CEO and Designee

EXECUTIVE SUMMARY
Clarified the purpose of this policy: to ensure the Board receives timely, relevant information to support sound decision-making.

- Rewrote the CEO responsibilities to be clearer, more concise, and easier to read while maintaining the same requirements.
- Standardized language and improved readability throughout (including CFO/CCO and Monitoring & Review statements).

POLICY TITLE: COMMUNICATION AND COUNSEL TO THE BOARD OF DIRECTORS	POLICY #: 10.13	
Topic Area: Executive Responsibility	**Issued By and Approved By:** Board of Directors	**REVIEW DATES** 11/18/21; 1/8/2025
Applies to: Chief Executive Officer, Chief Compliance Officer, Chief Financial Officer		
Developed and Maintained by: CEO and Designees	**Effective Date:** 9/17/16	**Revised Date:** 1/8/2025
Supersedes: N/A		

I. PURPOSE

To support sound decision-making, the Entity Board of Directors receives timely, relevant information from Entity executive staff.

II. POLICY

Chief Executive Officer

The Lakeshore Regional Entity (the "Entity") Chief Executive Officer (CEO) ensures the Entity Board of Directors is informed and supported in its work.

The CEO will:

1. Provide required monitoring data in a timely, accurate, and easy-to-understand format that directly addresses the provisions being monitored and includes the CEO's interpretation and relevant supporting data.
2. Promptly inform the Entity Board of Directors of any actual or anticipated noncompliance with Entity Board of Directors policies.
3. Provide information that helps the Entity Board of Directors understand relevant trends.
4. Inform the Entity Board of Directors of significant matters, including impending media coverage, threatened or pending litigation, and material internal or external changes.
5. Advise the Entity Board of Directors when, in the CEO's opinion, the Board is not in compliance with its policies, particularly when Board behavior may harm the working relationship between the Board and the CEO.
6. Present information clearly and concisely, and distinguish among (a) monitoring, (b) decision preparation, and (c) other information.
7. Maintain a workable mechanism for official communications from the Entity Board of Directors, officers, and committees.
8. Communicate with Board members in a fair and consistent manner, without favoring or privileging any member, except when fulfilling individual

information requests or responding to duly authorized officers or committees.

9. Submit a consent agenda for items delegated to the CEO that must be approved by the Entity Board of Directors by law, regulation, or contract, along with applicable monitoring information.

Chief Financial Officer and Chief Compliance Officer

The Chief Financial Officer and Chief Compliance Officer have direct access to the Entity Board of Directors.

III. APPLICABILITY AND RESPONSIBILITY

This policy applies to the Entity Board of Directors, Entity CEO, Entity Chief Compliance Officer, and the Entity Chief Financial Officer.

IV. MONITORING AND REVIEW

The CEO and Board review this policy annually.

V. DEFINITIONS

Entity – Also referred to as Lakeshore Regional Entity or LRE, is the Prepaid Inpatient Health Plan (PIHP) for Region 3 as defined in 42 CFR Part 438 and meets the requirements of MCL 330.1204b of the Michigan Mental Health Code.

VI. RELATED POLICIES AND PROCEDURES

A. Compliance Policies and Procedures
B. Board Policies and Procedures
C. Board By-Laws

VII. REFERENCE/LEGAL AUTHORITY

N/A

CHANGE LOG Date of Change	**Description of Change**	**Responsible Party**
11/18/21	Moved procedure to policy section. Added language from 10.17	CEO and Board
1/8/2025	Added Entity Definition	CEO
3/16/2026	Edited for concision, readability, and positive tone; added Executive Summary	CEO and Board

EXECUTIVE SUMMARY

A. Clarified the purpose of this policy: to ensure the Board receives timely, relevant information to support sound decision-making.

- Rewrote the CEO responsibilities to be clearer, more concise, and easier to read while maintaining the same requirements.
- Standardized language and improved readability throughout (including CFO/CCO and Monitoring & Review statements).

Policy #10.17

POLICY TITLE:	MANAGEMENT DELEGATION AND EXECUTIVE LIMITATIONS	POLICY # 10.17	REVIEW DATES	
Topic Area:	BOARD OF DIRECTORS	ISSUED BY: Board of Directors	11/18/21	2/8/2025
Applies to:	CHIEF EXECUTIVE OFFICER (CEO)			
Developed and Maintained by:	CEO and Designees	APPROVED BY: Board of Directors		
Supersedes:	N/A	Effective Date: 9/17/2016	Revised Date: 5/28/2025	

I. PURPOSE

All authority the Entity Board of Directors delegates to staff is delegated to the CEO. The CEO shall exercise that authority within the executive limitations established by the Board.

~~All Entity Board of Directors authority delegated to staff are delegated to the CEO. The CEO shall execute the delegated authority of the Entity Board of Directors within defined executive limitations.~~

II. POLICY

The Lakeshore Regional Entity (the "Entity") Board of Directors' only official connection to operations, organizational performance, and conduct is through the Chief Executive Officer (CEO). The CEO may not simultaneously hold another position as an employee, board member, or contractor with any Member.

~~The Lakeshore Regional Entity (the "Entity") Board of Directors sole official connection to the operational organization, its achievements and conduct will be through its chief executive, titled Chief Executive Officer (CEO). The Entity CEO may not simultaneously hold another position (employee, board member or contractor) with any Member.~~

The CEO has the authority delegated by the Entity Board of Directors. Only Board decisions made by the Board acting as a body are binding on the CEO. Decisions or instructions from an individual Board member, officer, or committee are not binding unless the Board has specifically authorized that exercise of authority.

~~The Entity CEO shall have the authority delegated to that position from time to time by the Entity Board of Directors. Only decisions of the Board, acting as a body, are binding upon the CEO. Decisions or instructions of individual Board member, officer or committee are not binding on the CEO except in instances when the Board has specifically authorized such exercise of authority.~~

Delegation of Authority

A. Contracts

The CEO may enter into contracts with a total cost of $100,000 or less without Board approval.

~~i. The CEO is authorized to enter into contracts whose total cost does not exceed $100,000 without Board approval.~~

Contracts over $100,000 must be presented to the Board of Directors for approval. If delaying execution would affect normal business operations for LRE or the provider, the contract may be presented to the Board after services have begun.

~~ii. Contracts more than $100,000 are to be presented to the Board of Directors for approval. In circumstances where executing the contract may impact normal business operations for LRE and/or the provider, contracts may be presented to the Board after services have already commenced.~~

Following Board approval of a contract over $100,000, the CEO is authorized to execute amendments and funding increases under that contract without returning to the Board for additional approval.

The Entity Board of Directors authorizes and delegates to the CEO the authority to execute revenue contracts and amendments when the return deadline occurs before the next regularly scheduled Board meeting, provided the contract is consistent with the Board-approved strategic plan and the Entity's mission, vision, and values. The CEO must report each use of this authority at the next regularly scheduled Board meeting.

~~iii. The Entity Board of Directors specifically authorizes and delegates to the Entity CEO the authority and responsibility to execute revenue contracts and/or amendments where the due date for the contract to be returned occurs before the next regularly scheduled board meeting, provided that the contract is consistent with the Entity Board of Directors approved strategic plan and the mission, vision and values. The CEO must report all instances where this action occurs at the next regularly scheduled board meeting~~

B. Executive Limitations

The CEO shall not cause or allow any practice, activity, decision, or organizational circumstance that is illegal, imprudent, unethical, or inconsistent with contractual obligations.

~~The CEO shall not cause or allow any practice, activity, decision, or organizational circumstance, which is either illegal, imprudent or in violation of commonly accepted business and professional ethics or violating contractual obligations.~~

The CEO shall not cause or allow fiscal jeopardy or a material deviation of actual expenditures from the Board of Directors' priorities established in policy.

~~With respect to the actual, ongoing condition of the Entity's financial health, the Entity Chief Executive Officer (CEO) may not cause, or allow the development of, fiscal jeopardy or the material deviation of actual expenditures from the Board of Directors priorities established in policies.~~

C. Accordingly, the Entity CEO will:

1. Act in an ethical and professional manner.

Provide information and advice to the Board that is timely, complete, and accurate.

~~2. Provide information and advice to the Board that is timely, complete and accurate.~~

Manage the Entity using adequate administrative procedures for finances, internal controls, employees, contractors, facilities, and other required operations.

~~3. Manage the Entity with adequate administrative procedures for matters involving finances, internal controls, employees, contractors, facilities, and other required operations of the organization~~

III. APPLICABILITY AND RESPONSIBILITY

This policy applies to the Entity CEO and the Entity Board of Directors.

IV. MONITORING AND REVIEW

The CEO or designees will review this policy annually.

~~The CEO or designees will review this policy on an annual basis.~~

V. DEFINITIONS

Entity – Also referred to as Lakeshore Regional Entity or LRE, the Prepaid Inpatient Health Plan (PIHP) for Region 3 as defined in 42 CFR Part 438 and meeting the requirements of MCL 330.1204b of the Michigan Mental Health Code.

~~**Entity** – Also referred to as Lakeshore Regional Entity or LRE, is the Prepaid Inpatient Health Plan (PIHP) for Region 3 as defined in 42 CFR Part 438 and meets the requirements of MCL 330.1204b of the Michigan Mental Health Code~~

VI. REFERENCES AND SUPPORTING DOCUMENTS

A. Board of Directors By-Laws
B. LRE Operating Agreement
C. Compliance Plan

VII. RELATED POLICIES AND PROCEDURES

A. Financial Policies and Procedures
B. Board of Directors Policies and Procedures

VIII. CHANGE LOG

Date of Change	Description of Change	Responsible Party
11/18/21	Added language from 2.1, 10.11, 10.15, 10.16, 10.20, 10.21	CEO and Designees
2/8/2025	Added language under Contracts A Condensed Tx of Staff/Plan	

	Members wording under B1 and B3 Added Board information language under B2 Added Entity Definition	
6/29/2026	Simplified policy language for clarity and readability while preserving meaning and references. Clarified CEO authority following Board approval of contracts over $100,000, the CEO is authorized to execute amendments, additions, and funding increases under that contract without returning to the Board for additional approval.	CEO and Designees

Executive Summary of Changes

This revision makes the policy more concise and easier to read while preserving its meaning and references. It clarifies the CEO's delegated authority, the Board's role in approving contracts over $100,000, and the CEO's authority to execute amendments, and funding increases under a Board-approved contract without returning for additional Board approval.

POLICY TITLE:	MANAGEMENT DELEGATION AND EXECUTIVE LIMITATIONS	POLICY # 10.17	REVIEW DATES	
Topic Area:	**BOARD OF DIRECTORS**	**ISSUED BY:** Board of Directors	11/18/21	2/8/2025
Applies to:	**CHIEF EXECUTIVE OFFICER (CEO)**			
Developed and Maintained by:	CEO and Designees	**APPROVED BY:** Board of Directors		
Supersedes:	N/A	**Effective Date:** 9/17/2016	**Revised Date:** 5/28/2025	

I. PURPOSE

All authority the Entity Board of Directors delegates to staff is delegated to the CEO. The CEO shall exercise that authority within the executive limitations established by the Board.

II. POLICY

The Lakeshore Regional Entity (the "Entity") Board of Directors' only official connection to operations, organizational performance, and conduct is through the Chief Executive Officer (CEO). The CEO may not simultaneously hold another position as an employee, board member, or contractor with any Member.

The CEO has the authority delegated by the Entity Board of Directors. Only Board decisions made by the Board acting as a body are binding on the CEO. Decisions or instructions from an individual Board member, officer, or committee are not binding unless the Board has specifically authorized that exercise of authority.

Delegation of Authority

A. Contracts

i. The CEO may enter into contracts with a total cost of $100,000 or less without Board approval.

ii. Contracts over $100,000 must be presented to the Board of Directors for approval. If delaying execution would affect normal business operations for LRE or the provider, the contract may be presented to the Board after services have begun.

iii. Following Board approval of a contract over $100,000, the CEO is authorized to execute funding increases under that contract without returning to the Board for additional approval.

iv. The Entity Board of Directors authorizes and delegates to the CEO the authority to execute revenue contracts and amendments when the return

deadline occurs before the next regularly scheduled Board meeting, provided the contract is consistent with the Board-approved strategic plan and the Entity's mission, vision, and values. The CEO must report each use of this authority at the next regularly scheduled Board meeting.

B. Executive Limitations
   i. The CEO shall not cause or allow any practice, activity, decision, or organizational circumstance that is illegal, imprudent, unethical, or inconsistent with contractual obligations.
   ii. The CEO shall not cause or allow fiscal jeopardy or a material deviation of actual expenditures from the Board of Directors' priorities established in policy.

C. Accordingly, the Entity CEO will:
   i. Act in an ethical and professional manner.
   ii. Provide information and advice to the Board that is timely, complete, and accurate.
   iii. Manage the Entity using adequate administrative procedures for finances, internal controls, employees, contractors, facilities, and other required operations.

III. APPLICABILITY AND RESPONSIBILITY

This policy applies to the Entity CEO and the Entity Board of Directors.

IV. MONITORING AND REVIEW

The CEO or designees will review this policy annually.

V. DEFINITIONS

Entity – Also referred to as Lakeshore Regional Entity or LRE, the Prepaid Inpatient Health Plan (PIHP) for Region 3 as defined in 42 CFR Part 438 and meeting the requirements of MCL 330.1204b of the Michigan Mental Health Code.

VI. REFERENCES AND SUPPORTING DOCUMENTS

A. Board of Directors By-Laws
B. LRE Operating Agreement
C. Compliance Plan

VII. RELATED POLICIES AND PROCEDURES

A. Financial Policies and Procedures
B. Board of Directors Policies and Procedures

VIII. CHANGE LOG

Date of Change	Description of Change	Responsible Party

11/18/21	Added language from 2.1, 10.11, 10.15, 10.16, 10.20, 10.21	CEO and Designees
2/8/2025	Added language under Contracts A Condensed Tx of Staff/Plan Members wording under B1 and B3 Added Board information language under B2 Added Entity Definition	CEO and Designees
5/28/2025	The CEO may enter into contracts with a total cost of $100,000 or less without Board approval	CEO and Designees
6/29/2026	Simplified policy language for clarity and readability while preserving meaning and references. Clarified CEO authority following Board approval of contracts over $100,000, the CEO is authorized to execute amendments, additions, and funding increases under that contract without returning to the Board for additional approval.	CEO and Designees

Executive Summary of Changes

This revision makes the policy more concise and easier to read while preserving its meaning and references. It clarifies the CEO's delegated authority, the Board's role in approving contracts over $100,000, and the CEO's authority to execute amendments, additions, and funding increases under a Board-approved contract without returning for additional Board approval.

ORGANIZATIONAL PROCEDURE

PROCEDURE # 10.17a		EFFECTIVE DATE	REVISED DATE
TITLE:	COMPENSTAION AND BENEFITS	5/18/2017	7/23/2025
ATTACHMENT TO		REVIEW DATES	
POLICY #:	10.17		
POLICY TITLE:	Management Delegation and Executive Limitations		
CHAPTER:	Board Governance		

I. PURPOSE

With respect to employment, compensation, and benefits for employees, consultants, contract workers, interns, and volunteers, the Lakeshore Regional Entity (the "Entity") Chief Executive Officer (CEO) is expected to support the Entity's financial integrity and promote a positive public image. The purpose of this procedure is to define the parameters for compensation and benefits for the Entity CEO.

~~With respect to employment, compensation and benefits to employees, consultants, contract workers, interns, and volunteers, the Lakeshore Regional Entity (the "Entity") Chief Executive Officer (CEO) shall not cause or allow jeopardy to the Entity's financial integrity or to public image. The purpose of this procedure is to define the parameters for compensation and benefits for the Entity CEO.~~

II. PROCEDURES

The Entity CEO is responsible for administering compensation and benefits practices in a manner that supports organizational integrity, fiscal responsibility, and fair treatment. In carrying out this responsibility, the Entity CEO shall not:

~~The Entity CEO shall not:~~

Change the Entity CEO's own compensation and benefits without appropriate Board authorization.

~~1. Change the Entity CEO's own compensation and benefits.~~

Offer employment commitments only in a manner consistent with authorized agreements. Time-limited Executive Employment and Professional Services Agreements with termination clauses are permissible.

~~2. Promise permanent or guaranteed employment. Time-limited Executive Employment and Professional Services Agreements with termination clauses are permissible.~~

Establish current compensation and benefits only when they:

~~3. Establish current compensation and benefits which:~~

Align materially with the geographic and professional market for the skills employed;

~~i. Deviate materially from the geographic and professional market for the skills employed.~~

Create obligations that are supported by reasonably projected revenues, do not extend beyond one year, and remain subject to changes in revenue; and

~~ii. Create obligations over a longer term than revenues can be safely projected, in no event longer than one year and in all events subject to losses in revenue.~~

Include appropriate efforts to solicit and consider staff preferences.

~~iii. Fail to solicit or fail to consider staff preferences.~~

Establish or change retirement benefits only when they:

~~4. Establish or change retirement benefits which:~~

Avoid unfunded liabilities and do not commit the Entity to benefits that may create unpredictable future costs;

~~i. Cause unfunded liabilities to occur or in any way commit the Entity to benefits that incur unpredictable future costs; and/or~~

Provide at least a basic level of benefits to all full-time employees, while allowing differential benefits that recognize and encourage longevity; and

~~ii. Provide less than some basic level of benefits to all full-time employees. Differential benefits which recognize and encourage longevity are not prohibited; and/or,~~

Are instituted with appropriate due diligence and direction from the Entity Board of Directors.

~~iii. are instituted without due diligence and direction from the Entity Board of Directors.~~

III. APPLICABILITY AND RESPONSIBILITY

This procedure applies to the Entity Board of Directors and LRE CEO.

IV. MONITORING AND REVIEW

This procedure will be reviewed by the Entity Board of Directors on an annual basis.

V. DEFINITIONS

N/A

VI. RELATED POLICIES AND PROCEDURES

A. 10.17 Delegation Management and Executive Limitations
B. Board of Directors By-Laws

VII. REFERENCES/LEGAL AUTHORITY

N/A

VIII. CHANGE LOG

Date of Change	Description of Change	Responsible Party
11/18/21	Previously policy. Now procedure	Board of Directors

7/23/2025			Reviewed, No Changes	BOD
7/2/2026	Updated wording throughout the procedure to use a more positive, professional tone while preserving the original intent, requirements, and formatting.	BOD		

Executive Summary of Changes

The revisions clarify positively the CEO's responsibility to administer compensation and benefits practices in support of organizational integrity, fiscal responsibility, fair treatment, and appropriate Board oversight. The updates retain the original purpose, applicability, monitoring requirements, related policies, references, and substantive requirements while improving readability and tone.

PROCEDURE # 10.17a		EFFECTIVE DATE	REVISED DATE
TITLE:	COMPENSTAION AND BENEFITS	5/18/2017	7/23/2025
ATTACHMENT TO		REVIEW DATES	
POLICY #:	10.17		
POLICY TITLE:	Management Delegation and Executive Limitations		
CHAPTER:	Board Governance		

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II. PROCEDURES

The Entity CEO is responsible for administering compensation and benefits practices in a manner that supports organizational integrity, fiscal responsibility, and fair treatment. In carrying out this responsibility, the Entity CEO shall not:

1. Change the Entity CEO's own compensation and benefits without appropriate Board authorization.
2. Offer employment commitments only in a manner consistent with authorized agreements. Time-limited Executive Employment and Professional Services Agreements with termination clauses are permissible.
3. Establish current compensation and benefits only when they:
    i. Align materially with the geographic and professional market for the skills employed;
    ii. Create obligations that are supported by reasonably projected revenues, do not extend beyond one year, and remain subject to changes in revenue; and
    iii. Include appropriate efforts to solicit and consider staff preferences.

4. Establish or change retirement benefits only when they:
    i. Avoid unfunded liabilities and do not commit the Entity to benefits that may create unpredictable future costs;
    ii. Provide at least a basic level of benefits to all full-time employees, while allowing differential benefits that recognize and encourage longevity; and
    iii. Are instituted with appropriate due diligence and direction from the Entity Board of Directors.

III. APPLICABILITY AND RESPONSIBILITY

This procedure applies to the Entity Board of Directors and LRE CEO.

IV. MONITORING AND REVIEW

This procedure will be reviewed by the Entity Board of Directors on an annual basis.

V. DEFINITIONS

N/A

VI. RELATED POLICIES AND PROCEDURES

A. 10.17 Delegation Management and Executive Limitations
B. Board of Directors By-Laws

VII. REFERENCES/LEGAL AUTHORITY

N/A

VIII. CHANGE LOG

Date of Change	Description of Change	Responsible Party
11/18/21	Previously policy. Now procedure	Board of Directors
7/23/2025	Reviewed, No Changes	BOD
7/2/2026	Updated wording throughout the procedure to use a more positive, professional tone while preserving the original intent, requirements, and formatting	BOD

Executive Summary of Changes

The revisions clarify positively the CEO's responsibility to administer compensation and benefits practices in support of organizational integrity, fiscal responsibility, fair treatment, and appropriate Board oversight. The updates retain the original purpose, applicability, monitoring requirements, related policies, references, and substantive requirements while improving readability and tone.

Lakeshore Regional Entity Board
Financial Officer Report for July 2026
7/17/2026

- **Disbursements Report** – A motion is requested to approve the May 2026 and June 2026 disbursements. A summary of those disbursements is included as attachments.

- **Statement of Activities** – Reports through April and May are included as attachments. These figures are draft and will not be final until after the audit is complete.

- **LRE Combined Monthly FSR –** The May LRE Combined Monthly FSR Report is included as an attachment for this month's meeting. April's report is included as well for your reference due to June's board meeting cancelation. Expense projections, as reported by each CMHSP, are noted. An actual **surplus** fiscal year-to-date through May of **$4 million**, a projected annual **deficit** of **$19 million**, and a budgeted **deficit** of **$21.9 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 **$7.4 million** and CMH of Ottawa with a **deficit of $1.3 million**. HealthWest, OnPoint, and West Michigan CMH have a projected **surplus**. Network180 and CMH of Ottawa have projected **deficits**. All CMHSPs have a budgeted **surplus or breakeven**, except Network180 with a budgeted **deficit** of **$15 million** and CMH of Ottawa with a budgeted **deficit** of **$7.1 million**.

  The continued increase in the projected regional deficit is concerning. If this trend continues, the region may end the year with a deficit near or above the combined CMHSP budgeted **deficit of $21.9 million.** The FY26 Risk Management Strategy Plan, approved by the LRE Board of Directors and submitted to MDHHS in April, projected a $16.5 million deficit. The revised budgeted regional deficit is 33% higher. If June's FSR reflects the same trend, LRE may seek Board approval to increase the budgeted use of reserves by another $5.4 million unless CMHSP-level deficit reduction or cost containment plans are implemented. Although any such plans are unlikely to fully close the deficit this late in the fiscal year, they could help prevent the shortfall from carrying into the next fiscal year. Based on the limited FY2027 capitation rate-setting information available from MDHHS, LRE does not currently expect a significant revenue increase next fiscal year to offset the shortfall.

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- **FY2025 Medicaid/Healthy Michigan Plan (HMP) Cost Settlements** – Four CMHSPs have accepted the FY2025 Medicaid/HMP Cost Settlement notices sent on July 9, 2026. One response remains outstanding but is not due until August 8, 2026.

Medicaid_HMP Cost Settlement Summary
FY25

CMHSP	Medicaid (Due To) / Due From CMHSP	HMP (Due To) / Due From CMHSP	Total (Due To) / Due From CMHSP
Allegan	1,661,018.99	(695,616.10)	**965,402.89**
Healthwest	8,783,159.81	(4,086,419.20)	**4,696,740.61**
N180	(11,973,810.33)	(6,928,915.73)	**(18,902,726.06)**
Ottawa	(4,316,820.81)	(413,457.68)	**(4,730,278.49)**
West MI CMH	1,529,053.19	(42,007.83)	**1,487,045.36**
Total (Due To)/Due From CMHSP	**(4,317,399.15)**	**(12,166,416.54)**	**(16,483,815.69)**

- **Cash Flow Issues** – On June 29, 2026, CMH of Ottawa advised that it may experience cash flow challenges if payment of the FY25 Medicaid and Healthy Michigan Cost Settlement is delayed. The settlement shows $4,730,278.49 due to CMH of Ottawa because FY25 expenditures exceeded revenue. LRE is awaiting receipt of funds owed by three CMHSPs before issuing FY25 settlement payments to CMH of Ottawa and Network180. LRE encouraged those CMHSPs to remit payment as soon as possible to help address cash flow concerns among their CMHSP counterparts. N180 has an outstanding **$6 million** cash advance due upon completion of the FY25 Medicaid/HMP Cost Settlement.

- **FY2026 Revenue Projections** – The FY26 June revenue projection is $400.4 million, an increase of $663,119 from the previous quarterly projection of $399.7 million. This is 0.6% ($2.3 million) below the initial projections used for the adopted budget and spending plans. MDHHS continues to pay waivers at FY25 rates; therefore, the projections include a -$1.24 million adjustment for expected recoupments. Most of the overpayment comes from the children's waiver, with rates dropping by more than 40% from FY25 to FY26. MDHHS is working to resolve the waiver payment issue and plans to recoup the waiver revenue and repay it at the correct rates. The projections below reflect estimated waiver revenue at FY26 rates.

FY 2026 Revenue Projection - Waivers Estimated at FY26 Rates

Total LRE (Net of CCBHC)

	FY26 Initial Budget Projection	FY26 Current Budget Projection	FY26 Initial to Current Change	
MCD - MH	$ 221,863,409	$ 218,868,866	$ (2,994,543)	-1.35%
MCD - SUD	$ 7,740,324	$ 8,598,834	$ 858,510	11.09%
HMP - MH	$ 19,320,790	$ 22,021,290	$ 2,700,500	13.98%
HMP - SUD	$ 11,287,878	$ 13,559,467	$ 2,271,589	20.12%
Autism	$ 62,981,309	$ 67,580,121	$ 4,598,812	7.30%
Waiver	$ 61,708,840	$ 55,800,268	$ (5,908,572)	-9.57%
SUDHH	$ 43,737	$ 22,160	$ (21,577)	-49.33%
SUDHH - LRE Admin	$ 10,935	$ 5,540	$ (5,395)	-49.33%
LRE Admin	$ 13,922,556	$ 13,922,556	$ -	0.00%
ISF	$ -	$ -	$ -	
IPA	$ 3,776,414	$ -	$ (3,776,414)	-100.00%
Total Region	**$ 402,656,192**	**$ 400,379,102**	**$ (2,277,090)**	**-0.57%**
Waiver Check Totals (over/-under)		$ -		

Total CMHSPs (Net of CCBHC)

	FY26 Initial Budget Projection	FY26 Current Budget Projection	FY26 Initial to Current Change	
OnPoint	$ 33,069,401	$ 32,540,981	$ (528,420)	-1.60%
Healthwest	$ 78,479,428	$ 79,183,455	$ 704,028	0.90%
Network180	$ 193,243,377	$ 193,783,955	$ 540,579	0.28%
Ottawa	$ 55,874,506	$ 53,820,405	$ (2,054,102)	-3.68%
West Michigan	$ 24,279,575	$ 27,122,208	$ 2,842,634	11.71%
Total CMHSPs	**$ 384,946,286**	**$ 386,451,005**	**$ 1,504,719**	**0.39%**

Average PMPM - Net of CCBHC Supplemental & SUDHH Revenue

	FY26 Initial Budget Projection	FY26 Current Budget Projection	FY26 Initial to Current Change	
OnPoint	$ 138.83	$ 132.61	$ (6.22)	-4.48%
Healthwest	$ 146.57	$ 142.83	$ (3.74)	-2.55%
Network180	$ 128.72	$ 125.51	$ (3.22)	-2.50%
Ottawa	$ 131.01	$ 126.26	$ (4.75)	-3.62%
West Michigan	$ 137.01	$ 138.65	$ 1.64	1.20%
Total CMHSPs	**$ 133.78**	**$ 130.31**	**$ (3.48)**	**-2.60%**

Member Month Projection

	FY26 Initial Budget Projection	FY26 Current Budget Projection	FY26 Initial to Current Change
OnPoint	258,564	245,390	(13,174)
Healthwest	591,432	554,395	(37,037)
Network180	1,633,680	1,544,025	(89,655)
Ottawa	461,520	426,085	(35,435)
West Michigan	211,824	195,616	(16,208)
Total Member Months	**3,157,020**	**2,965,511**	**(191,509)**

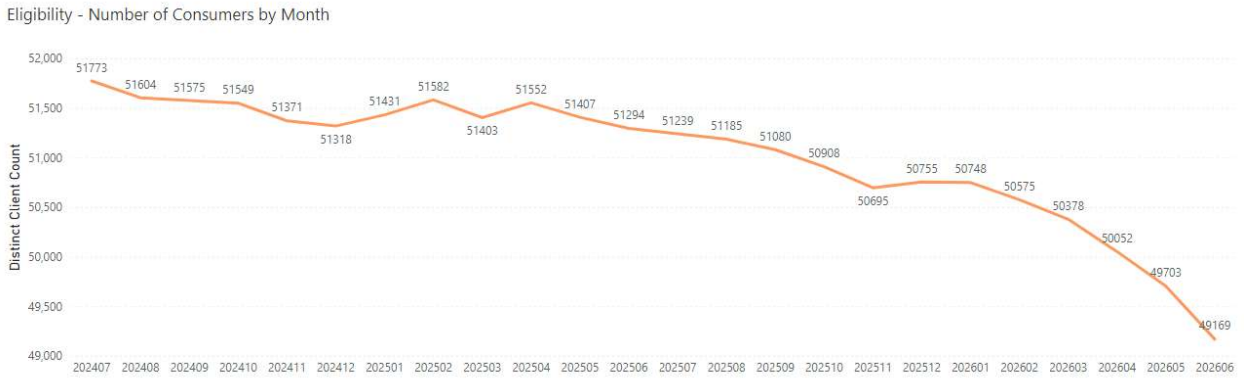
CMHSPs Breakdown (Net of CCBHC)

	FY26 Initial Budget Projection	FY26 Current Budget Projection	FY26 Initial to Current Change
MCD - MH			
OnPoint	$ 18,105,180	$ 17,448,803	$ (656,378)
Healthwest	$ 44,294,486	$ 44,551,114	$ 256,627
Network180	$ 114,225,217	$ 112,239,725	$ (1,985,492)
Ottawa	$ 30,966,885	$ 28,070,912	$ (2,895,973)
West Michigan	$ 14,271,640	$ 16,558,312	$ 2,286,672
Total MCD - MH	**$ 221,863,409**	**$ 218,868,866**	**$ (2,994,543)**
MCD - SUD			
OnPoint	$ 627,571	$ 709,015	$ 81,444
Healthwest	$ 1,590,011	$ 1,728,768	$ 138,757
Network180	$ 3,991,351	$ 4,415,608	$ 424,257
Ottawa	$ 1,002,079	$ 1,150,949	$ 148,869
West Michigan	$ 529,311	$ 594,494	$ 65,183
Total MCD - SUD	**$ 7,740,324**	**$ 8,598,834**	**$ 858,510**
HMP - MH			
OnPoint	$ 1,582,750	$ 1,692,222	$ 109,472
Healthwest	$ 3,312,738	$ 4,127,830	$ 815,092
Network180	$ 10,512,017	$ 11,540,545	$ 1,028,528
Ottawa	$ 2,944,025	$ 3,157,669	$ 213,645
West Michigan	$ 969,260	$ 1,503,023	$ 533,763
Total HMP - MH	**$ 19,320,790**	**$ 22,021,290**	**$ 2,700,500**
HMP - SUD			
OnPoint	$ 956,521	$ 1,041,878	$ 85,357
Healthwest	$ 2,026,844	$ 2,541,563	$ 514,719
Network180	$ 6,061,448	$ 7,106,210	$ 1,044,762
Ottawa	$ 1,639,521	$ 1,944,376	$ 304,854
West Michigan	$ 603,543	$ 925,441	$ 321,897
Total HMP - SUD	**$ 11,287,878**	**$ 13,559,467**	**$ 2,271,589**
Autism			
OnPoint	$ 5,224,373	$ 6,009,307	$ 784,934
Healthwest	$ 12,683,576	$ 13,301,759	$ 618,183
Network180	$ 32,299,123	$ 34,207,392	$ 1,908,269
Ottawa	$ 9,061,625	$ 10,168,302	$ 1,106,677
West Michigan	$ 3,712,612	$ 3,893,360	$ 180,748
Total Autism	**$ 62,981,309**	**$ 67,580,121**	**$ 4,598,812**
Waiver			
OnPoint	$ 6,573,006	$ 5,639,757	$ (933,249)
Healthwest	$ 14,571,772	$ 12,932,422	$ (1,639,351)
Network180	$ 26,154,220	$ 24,274,475	$ (1,879,746)
Ottawa	$ 10,216,633	$ 9,306,036	$ (910,597)
West Michigan	$ 4,193,209	$ 3,647,579	$ (545,630)
Total Waiver	**$ 61,708,840**	**$ 55,800,268**	**$ (5,908,572)**

CMHSPs Breakdown - SUDHH			
	FY26 Initial Budget Projection	FY26 Current Budget Projection	FY26 Initial to Current Change
OnPoint	$ -	$ -	$ -
Healthwest	$ -	$ -	$ -
Network180	$ -	$ -	$ -
Ottawa	$ 43,737	$ 22,160	$ (21,577)
West Michigan	$ -	$ -	$ -
Total Waiver	**$ 43,737**	**$ 22,160**	**$ (21,577)**

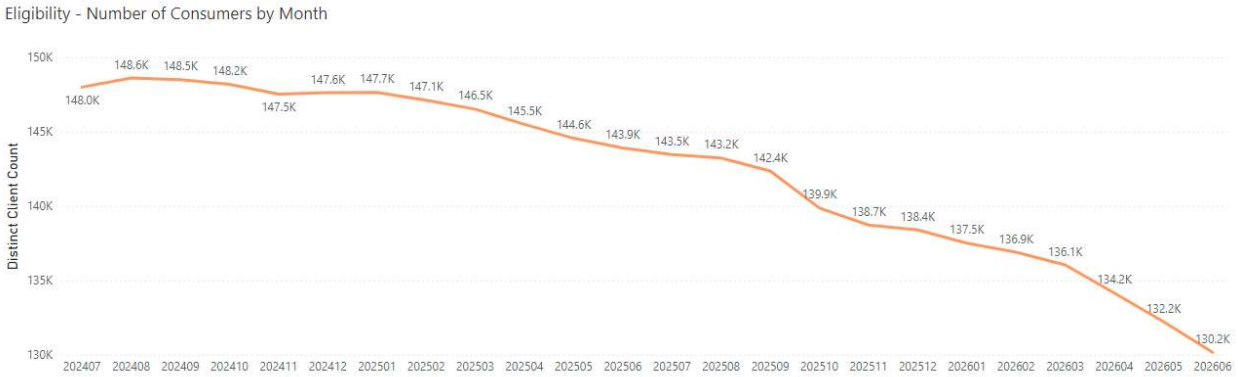
- **Financial Data/Charts** – The charts below show regional eligibility trends by population. The number of Medicaid eligible individuals in our region determines the amount of revenue the LRE receives each month. Data is shown for October 2024 – June 2026. The LRE has experienced a decline in enrollments for DAB, TANF, and HMP, mirroring patterns observed throughout the state. The PIHPs shared combined enrollment data with MDHHS, which is investigating possible system issues.

DAB

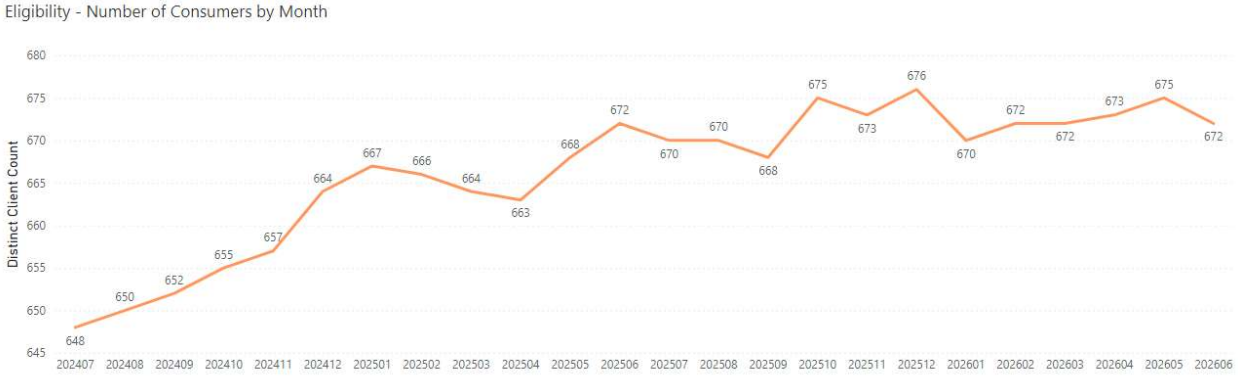


HMP

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 Operating Agreement	Health West Litigation	N180 Litigation	General	State Fair Hearings	Compliance	CCBHC	ISF Litigation	Total
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	$ -	$ -	$ -	$ -	$ 76,118.00	$ -	$ 2,304.00	$ -	$ -	$ 78,422.00
Total	**$ 370,653.95**	**$ 12,200.00**	**$ 41,663.14**	**$ 54,028.53**	**$ 315,691.45**	**$ 18,802.00**	**$ 2,304.00**	**$ 812.50**	**$ 74,954.20**	**$ 891,109.77**

As of May 31, 2026

LAKESHORE REGIONAL ENTITY

BOARD ACTION REQUEST
Subject: May 2026 Disbursements
Meeting Date: July 22, 2026

RECOMMENDED MOTION:

To approve the May 2026 disbursements of $35,269,306.21 as presented.

SUMMARY OF REQUEST/INFORMATION:

Disbursements:	
Allegan County CMH	$2,828,614.09
Healthwest	$6,945,719.13
Network 180	$17,352,480.53
Ottawa County CMH	$4,744,254.05
West Michigan CMH	$2,365,557.86
SUD Prevention Expenses	$282,411.09
SUD Public Act 2 (PA2)	$425,814.09
Administrative Expenses	$324,455.37
Total:	**$35,269,306.21**

97.87% 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:** ***6/12/2026***

LAKESHORE REGIONAL ENTITY

BOARD ACTION REQUEST
Subject: June 2026 Disbursements
Meeting Date: July 22, 2026

RECOMMENDED MOTION:

To approve the June 2026 disbursements of $43,382,564.27 as presented.

SUMMARY OF REQUEST/INFORMATION:

Disbursements:	
Allegan County CMH	$2,844,936.74
Healthwest	$6,698,577.40
Network 180	$16,602,274.64
Ottawa County CMH	$4,567,709.89
West Michigan CMH	$2,234,075.79
SUD Prevention Expenses	$133,279.50
Hospital Reimbursement Adjuster (HRA)	$9,372,415.00
SUD Public Act 2 (PA2)	$360,831.88
Administrative Expenses	$9,940,878.43
Total:	**$43,382,564.27**

76.25% 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:** ***7/13/2026***

LAKESHORE REGIONAL ENTITY

Budget Proposal Summary
Fiscal Year Ending 9/30/2026

	FY 2025/2026 Budget Amendment 2	FY 2025/2026 Budget Amendment 3	Increase / (Decrease)	Change %
Revenue				
Regional Operating Revenue				
Mental Health State Plan & 1915(i)	$ 237,535,464	$ 237,065,009	$ (470,455)	-0.2%
Habilitation Supports Waiver (HSW)	50,925,161	51,376,896	451,735	0.9%
Children's Waiver	3,304,401	3,771,553	467,152	14.1%
SED Waiver	642,883	651,819	8,936	1.4%
DHS Incentive Payment	471,247	552,788	81,541	17.3%
Autism Revenue	67,445,656	67,580,121	134,465	0.2%
Mental Health Healthy Michigan	22,619,857	22,659,872	40,015	0.2%
Mental Health Block Grant - Veteran Navigator	139,241	139,241	-	0.0%
Block Grants - Hisp BH, Native Am, Tob,Clubhse, BH Workforce Stab., ARPA	445,800	445,800	-	0.0%
Substance Use Gambling, ARPA & DFC	250,000	250,000	-	0.0%
Substance Use State Plan	8,592,187	8,598,834	6,647	0.1%
Substance Use Healthy Michigan	13,534,843	13,559,467	24,624	0.2%
Substance Use Block, State Opioid Response	9,963,567	10,163,577	200,010	2.0%
Performance Bonus Incentive Pool	2,648,663	2,648,663	-	0.0%
Substance Use PA2 Liquor Tax	5,166,548	5,167,318	770	0.0%
Health Homes (BHH, SUDHH)	27,700	27,700	-	0.0%
Hospital Rate Adjuster (HRA)	23,383,692	23,383,692	-	0.0%
Interest Earnings	1,365,174	1,365,174	-	0.0%
Use of ISF/Savings	16,476,076	16,476,076	-	0.0%
Member Local Contribution to State Medicaid	1,007,548	1,007,548	-	0.0%
Miscellaneous Revenue	5,500	5,500	-	0.0%
Total Revenue	$ 465,951,207	$ 466,896,647	$ 945,440	
Expense				
Regional Operating Expenses				
Administration expense	$ 13,922,556	$ 13,922,556	$ -	0.0%
Block Grants - Clubhse/Veterans/Hisp/Tob Cess/ NatAm/BH Workforce Stab/BHH Expansion	585,041	585,041	-	0.0%
SUD Treatment Expenses - Grants	1,092,913	716,319	(376,594)	-34.5%
SUD Prevention Expenses - Grants & PA2	3,231,058	3,242,547	11,489	0.4%
Hospital Rate Adjustment / Taxes	28,295,860	28,295,860	-	0.0%
Operating Expense - Member Payments	417,816,231	419,126,775	1,310,545	0.3%
Contribution to ISF/Savings	-	-	-	0.0%
Local Contribution to State Medicaid	1,007,548	1,007,548	-	0.0%
Total Expense	$ 465,951,207	$ 466,896,647	$ 945,440	
Revenue Over/(Under) Expense	0	0		

LAKESHORE REGIONAL ENTITY

Statement of Activities - Actual vs. Budget
Fiscal Year 2025/2026
As of Date: 4/30/26

	Year Ending 9/30/2026	4/30/2026		
	FY26 Budget *Amendment 2*	Budget to Date	Actual	Actual to Budget Variance
Operating Revenues				
Medicaid, HSW, SED, & Children's Waiver	301,000,095	175,583,389	176,903,910	1,320,521
DHS Incentive	471,247	274,894	291,221	16,327
Autism Revenue	67,445,656	39,343,299	41,441,394	2,098,094
Healthy Michigan	36,154,699	21,090,241	22,967,183	1,876,941
Performance Bonus Incentive	2,648,663	1,545,054	-	(1,545,054)
Hospital Rate Adjuster (HRA)	23,383,692	13,640,487	11,781,738	(1,858,749)
Member Local Contribution to State Medicaid	1,007,548	587,736	587,736	(0)
Health Homes (BHH/SUDHH)	27,700	16,159	15,308	(850)
MDHHS Grants	10,798,608	6,299,188	4,436,875	(1,862,313)
PA 2 Liquor Tax	5,166,548	3,013,819	1,243,312	(1,770,507)
Interest Earnings	1,365,174	796,352	243,732	(552,619)
Use of ISF/Savings	16,476,076	9,611,044	-	(9,611,044)
Miscellaneous Revenue	5,500	3,208	-	(3,208)
Total Operating Revenues	**465,951,207**	**271,804,871**	**259,912,409**	**(11,892,462)**
Expenditures				
Salaries and Fringes	8,006,979	4,670,738	3,046,382	(1,624,356)
Office and Supplies Expense	316,958	184,892	115,082	(69,810)
Contractual and Consulting Expenses	1,025,954	598,473	408,193	(190,280)
Managed Care Information System (PCE) *	345,200	201,367	172,200	(29,167)
Legal Expense *	229,000	133,583	67,754	(65,829)
Utilities/Conferences/Mileage/Misc Exps	3,998,465	2,332,438	(65,105)	(2,397,543)
Grants - MDHHS & Non-MDHHS	637,422	371,830	311,251	(60,578)
Hospital Rate Adjuster / Taxes	28,295,860	16,505,918	14,221,131	(2,284,788)
Prevention Expenses - Grant & PA2	3,214,006	1,874,837	1,636,562	(238,275)
SUD Treatment Expenses - Grants	693,492	404,537	313,758	(90,779)
Member Payments - Medicaid/HMP	406,936,648	237,379,712	230,967,334	(6,412,378)
Member Payments - PA2 Treatment	3,838,837	2,239,321	1,447,127	(792,194)
Member Payments - Grants	7,404,838	4,319,489	3,457,533	(861,956)
Local Contribution to State Medicaid	1,007,548	587,736	587,736	(0)
Total Expenditures	**465,951,207**	**271,804,871**	**256,686,938**	**(15,117,933)**
Total Change in Net Assets	**(0)**	**(0)**	**3,225,471**	**3,225,471**

*** 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 April 30, 2026

As of Date: 4/30/26

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	Revenue is increasing based on latest projections. Adjustments made in April.
Healthy Michigan	Revenue is increasing based on latest projections. Adjustments made in April.
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 was delayed, pending CMS rate approval. First payment received in April.
Member Local Match Revenue	N/A - Closely aligned with the current budget projections.
MDHHS Grants	SUD grant payments are received quarterly. First payment received in February.
PA 2 Liquor Tax	PA2 revenues are received quarterly, after the Department of Treasury issues payments to the counties. Quarter 1 was withheld for the state's debt service requirements.
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 Revised 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	Expenditures under due to some MDHHS grant amendment and payment delays.
HRA/Taxes	HRA is typically paid quarterly. First quarter HRA payment was delayed, pending CMS rate approval. First payment received in April.
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.

LAKESHORE REGIONAL ENTITY

Statement of Activities - Actual vs. Budget
Fiscal Year 2025/2026
As of Date: 5/31/26

	Year Ending 9/30/2026	5/31/2026		
	FY26 Budget *Amendment 2*	Budget to Date	Actual	Actual to Budget Variance
Operating Revenues				
Medicaid, HSW, SED, & Children's Waiver	301,000,095	200,666,730	201,689,282	1,022,552
DHS Incentive	471,247	314,165	291,221	(22,943)
Autism Revenue	67,445,656	44,963,771	47,292,828	2,329,057
Healthy Michigan	36,154,699	24,103,133	26,137,660	2,034,527
Performance Bonus Incentive	2,648,663	1,765,775	-	(1,765,775)
Hospital Rate Adjuster (HRA)	23,383,692	15,589,128	11,781,738	(3,807,390)
Member Local Contribution to State Medicaid	1,007,548	671,699	671,699	(0)
Health Homes (BHH/SUDHH)	27,700	18,467	18,224	(243)
MDHHS Grants	10,798,608	7,199,072	4,525,065	(2,674,007)
PA 2 Liquor Tax	5,166,548	3,444,365	1,243,312	(2,201,053)
Interest Earnings	1,365,174	910,116	273,707	(636,409)
Use of ISF/Savings	16,476,076	10,984,051	-	(10,984,051)
Miscellaneous Revenue	5,500	3,667	-	(3,667)
Total Operating Revenues	**465,951,207**	**310,634,138**	**293,924,735**	**(16,709,403)**
Expenditures				
Salaries and Fringes	8,006,979	5,337,986	3,430,388	(1,907,599)
Office and Supplies Expense	316,958	211,305	135,339	(75,966)
Contractual and Consulting Expenses	1,025,954	683,969	461,925	(222,044)
Managed Care Information System (PCE) *	345,200	230,133	196,800	(33,333)
Legal Expense *	229,000	152,667	78,422	(74,245)
Utilities/Conferences/Mileage/Misc Exps	3,998,465	2,665,644	(20,572)	(2,686,216)
Grants - MDHHS & Non-MDHHS	637,422	424,948	351,204	(73,744)
Hospital Rate Adjuster / Taxes	28,295,860	18,863,907	14,221,131	(4,642,776)
Prevention Expenses - Grant & PA2	3,214,006	2,142,671	1,879,418	(263,253)
SUD Treatment Expenses - Grants	693,492	462,328	322,402	(139,926)
Member Payments - Medicaid/HMP	406,936,648	271,291,099	263,614,404	(7,676,695)
Member Payments - PA2 Treatment	3,838,837	2,559,224	1,738,727	(820,497)
Member Payments - Grants	7,404,838	4,936,559	4,356,846	(579,712)
Local Contribution to State Medicaid	1,007,548	671,699	671,699	(0)
Total Expenditures	**465,951,207**	**310,634,138**	**291,438,132**	**(19,196,006)**
Total Change in Net Assets	**(0)**	**(0)**	**2,486,603**	**2,486,603**

*** 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 May 31, 2026

As of Date: 5/31/26

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	Revenue is increasing based on latest projections. Adjustments made in April.
Healthy Michigan	Revenue is increasing based on latest projections. Adjustments made in April.
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 was delayed, pending CMS rate approval. First payment received in April.
Member Local Match Revenue	N/A - Closely aligned with the current budget projections.
MDHHS Grants	SUD grant payments are received quarterly. First payment received in February.
PA 2 Liquor Tax	PA2 revenues are received quarterly, after the Department of Treasury issues payments to the counties. Quarter 1 was withheld for the state's debt service requirements.
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 Revised 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	Expenditures under due to some MDHHS grant amendment and payment delays.
HRA/Taxes	HRA is typically paid quarterly. First quarter HRA payment was delayed, pending CMS rate approval. First payment received in April.
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.

Lakeshore Regional Entity Combined Monthly FSR Summary
FY 2026
April 2026 Reporting Month
Reporting Date: 6/15/26

ACTUAL:	HealthWest	Network180	OnPoint	Ottawa	West Michigan	LRE	Total
Total Distributed Medicaid/HMP Revenue	46,954,239	116,496,525	19,510,514	32,069,797	15,936,257	3,744,506	234,711,839
Total Capitated Expense	38,713,067	120,074,652	18,228,403	34,615,288	13,915,265	3,744,506	229,291,181
Actual Surplus (Deficit)	8,241,172	(3,578,127)	1,282,111	(2,545,491)	2,020,992	-	5,420,657
% Variance	17.55%	-3.07%	6.57%	-7.94%	12.68%	0.00%	
Information regarding Actual (Threshold: Surplus of 5% and deficit of 1%) *(Variance Explanation provided by CMHSP)*	HW continues to see a decline in services and is doing a complete analysis on admissions, caseloads, and service delivery.	1. Autism service demand exceeds funding, as regional rate allocations do not reflect county-level needs. 2. CSU rates are included in PMPM funding, current regional allocations do not adequately cover N180 operating costs as the only CSU in the region. 3. Utilization remains high and consistent with FY25, driven by inpatient, autism, and CLS/Personal Care in a residential setting.	OnPoint held on provider rate increase until January 1, 2026 to confirm revenue was coming in as expected. Certain utilization has been lower than projected (particularly Autism). Staff annual wage increases happened in April. This surplus is expected to reduce in future months.	Expenses are trending higher - similar to past years	WM is experiencing a decline in expense related to residential care but we do expect the surplus to decrease some as provider rate increases are fully rolled out.	Less than threshold for explanation.	
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.	182,809	(1,052,517)	(215,880)	(30,908)	188,120	-	(928,376)
Actual Surplus (Deficit)	**8,423,981**	**(4,630,644)**	**1,066,231**	**(2,576,399)**	**2,209,112**	**-**	**4,492,282**

PROJECTION: LRE Revenue Projections as of: *March*	HealthWest	Network180	OnPoint	Ottawa	West Michigan	LRE	Total
Total Projected Medicaid/HMP Revenue	79,094,856	193,641,266	32,357,360	53,537,332	27,134,911	13,922,556	399,688,282
	(0)	0	-	0	-	-	
Total Capitated Expense Projections	76,453,922	206,926,000	32,302,624	60,735,168	27,043,915	13,922,556	417,384,184
Projected Surplus (Deficit)	2,640,934	(13,284,733)	54,737	(7,197,836)	90,996	-	(17,695,902)
% Variance	3.34%	-6.86%	0.17%	-13.44%	0.34%	0.00%	
Information regarding Projections (Threshold: Surplus of 5% and deficit of 1%) *(Variance Explanation provided by CMHSP)*	Less than threshold for explanation.	1. Autism service demand exceeds funding, as regional rate allocations do not reflect county-level needs. 2. CSU rates are included in PMPM funding, current regional allocations do not adequately cover N180 operating costs as the only CSU in the region. 3. Utilization remains high and consistent with FY25, driven by inpatient, autism, and CLS/Personal Care in a residential setting.	Less than threshold for explanation.	Expenses are consistent with the FY25 deficit plus autism & HMP utlization has increased compared the last year. DCW increases January 1 for all H2015 Providers Up to 10% Increases on January 1 for all H2016/T1020 Providers CMH Staff Increases of 3% on January 1 Outpatient Provider 10% increases on March 1(Small dollar amount) Holland Haven Occupant - $2,534.31/Per Diem ($925k/Year)	Less than threshold for explanation.	Less than threshold for explanation.	

PROPOSED SPENDING PLAN:	HealthWest	Network180	OnPoint	Ottawa	West Michigan	LRE	Total
Submitted to the LRE as of:	11/12/2025	3/11/2026	11/10/2025	6/10/2026	11/12/2025		
Medicaid/HMP Revenue			DRAFT ONLY - NOT ACCEPTED AS FINAL				
Total Budgeted Medicaid/HMP Revenue	79,430,870	192,305,302	32,595,722	53,601,952	27,043,915	13,922,556	398,900,317
Total Budgeted Capitated Expense	79,162,747	207,292,460	32,595,722	60,735,168	27,043,915	13,922,556	420,752,568
						-	
Budgeted Surplus (Deficit)	268,123	(14,987,158)	-	(7,133,216)	-	-	(21,852,251)
% Variance	0.34%	-7.79%	0.00%	-13.31%	0.00%	0.00%	
Information regarding Spending Plans (Threshold: Surplus of 5% and deficit of 1%) *(Variance Explanation provided by CMHSP)*	Less than threshold for explanation.	1. Autism service demand exceeds funding, as regional rate allocations do not reflect county-level needs. 2. CSU rates are included in PMPM funding, current regional allocations do not adequately cover N180 operating costs as the only CSU in the region. 3. Utilization remains high and consistent with FY25, driven by inpatient, autism, and CLS/Personal Care in a residential setting.	Less than threshold for explanation.	Spending plan updated this month accounts for the deficits incurred over the past two years, increased cost of autism, and higher HMP utilization.	Less than threshold for explanation.	Less than threshold for explanation.	
Variance between Projected and Proposed Spending Plan	2,372,812	1,702,425	54,737	(64,620)	90,996	-	4,156,349
% Variance	2.99%	0.89%	0.17%	-0.12%	0.34%	0.00%	
Explanation of variances between Projected and Proposed Spending Plan (Threshold: Surplus of 5% and deficit of 1%) *(Variance Explanation provided by CMHSP)*	Less than threshold for explanation.	Less than threshold for explanation.	Less than threshold for explanation.	Less than threshold for explanation.	Less than threshold for explanation.	Less than threshold for explanation.	

Lakeshore Regional Entity
FY2026 FSR Monthly Comparison of Surplus/(Deficit) Detail
(Excluding CCBHC)
April 2026 Reporting Month
Reporting Date: 6/15/26

ACTUAL:	HealthWest	Network180	OnPoint	Ottawa	West Michigan	Total
Distributed Medicaid/HMP						
Medicaid/HMP	5,005,827	(2,880,715)	(1,543,929)	(4,003,526)	1,158,522	(2,263,821)
Autism	3,418,154	(1,749,929)	2,610,160	1,427,127	1,050,590	6,756,102
Total Distributed Medicaid/HMP Revenue	8,423,981	(4,630,644)	1,066,231	(2,576,399)	2,209,112	4,492,282

PROJECTION:	HealthWest	Network180	OnPoint	Ottawa	West Michigan	Total
Distributed Medicaid/HMP						
Medicaid/HMP	(1,215,792)	(8,422,505)	(3,981,126)	(5,740,218)	(2,001,547)	(21,361,187)
Autism	3,856,726	(4,862,228)	4,035,862	(1,457,618)	2,092,543	3,665,286
Total Distributed Medicaid/HMP Revenue	2,640,934	(13,284,733)	54,736	(7,197,836)	90,996	(17,695,902)

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

Actual	Nov	Dec	*Change*	Jan	*Change*	Feb	*Change*	Mar	*Change*	April	*Change*	Significant Change Explanations
HW	3,210,521	1,880,517	*(1,330,003)*	4,135,097	*2,254,579*	5,539,968	*1,404,871*	6,451,883	*911,915*	8,423,981	*1,972,098*	HW continues to see a decline in services and is doing a complete analysis on admissions, caseloads, and service delivery.
N180	(2,499,914)	(3,522,325)	*(1,022,411)*	(3,796,208)	*(273,882)*	(3,743,865)	*52,342*	(3,807,003)	*(63,138)*	(4,630,644)	*(823,641)*	
OnPoint	369,888	400,276	*30,387*	561,154	*160,878*	793,592	*232,438*	802,046	*8,454*	1,066,231	*264,185*	OnPoint held on provider rate increase until January 1, 2026 to confirm revenue was coming in as expected. Certain utilization has been lower than projected (particularly Autism). Staff annual wage increases happened in April. This surplus is expected to reduce in future months.
Ottawa	1,725,566	1,650,528	*(75,038)*	477,495	*(1,173,033)*	(125,262)	*(602,757)*	(1,075,092)	*(949,830)*	(2,576,399)	*(1,501,307)*	See additional information provided by CMHOC.
WM	1,307,093	1,276,611	*(30,481)*	1,452,997	*176,386*	1,896,932	*443,935*	2,059,410	*162,478*	2,209,112	*149,702*	
Total	**4,113,153**	**1,685,607**	***(2,427,546)***	**2,830,536**	***1,144,929***	**4,361,365**	***1,530,830***	**4,431,244**	***69,879***	**4,492,282**	***61,038***	

Projection	Nov	Dec	*Change*	Jan	*Change*	Feb	*Change*	Mar	*Change*	April	*Change*	
HW	3,869,714	(4,266,494)	*(8,136,208)*	(105,768)	*4,160,726*	1,767,867	*1,873,635*	2,657,114	*889,247*	2,640,934	*(16,180)*	
N180	(2,078,970)	(2,759,095)	*(680,125)*	(14,987,158)	*(12,228,064)*	(13,284,733)	*1,702,425*	(13,284,733)	*(0)*	(13,284,733)	-	
OnPoint	-	(107,520)	*(107,520)*	(107,520)	*0*	(238,361)	*(130,842)*	54,737	*293,098*	54,737	*(0)*	
Ottawa	(3,469,038)	(3,580,703)	*(111,665)*	(4,276,735)	*(696,032)*	(4,811,845)	*(535,110)*	(4,811,845)	*(0)*	(7,197,836)	*(2,385,990)*	See additional information provided by CMHOC.
WM	-	50,080	*50,080*	50,080	*0*	90,996	*40,916*	90,996	-	90,996	-	
Total	**(1,678,294)**	**(10,663,732)**	***(8,985,438)***	**(19,427,101)**	***(8,763,370)***	**(16,476,077)**	***2,951,025***	**(15,293,732)**	***1,182,345***	**(17,695,902)**	***(2,402,170)***	

Proposed Spending Plan/Budget	Nov	Dec	*Change*	Jan	*Change*	Feb	*Change*	Mar	*Change*	April	*Change*	Significant Change Explanations
HW	268,123	268,123	-	268,123	*(0)*	268,123	-	268,123	-	268,123	-	
N180	(2,078,970)	(2,078,970)	-	(14,987,158)	*(12,908,189)*	(14,987,158)	-	(14,987,158)	-	(14,987,158)	-	
OnPoint	-	-	-	-	-	-	-	-	-	-	-	
Ottawa	-	-	-	-	-	-	-	-	-	(7,133,216)	*(7,133,216)*	See additional information provided by CMHOC.
WM	-	-	-	-	-	-	-	-	-	-	-	
Total	**(1,810,847)**	**(1,810,847)**	**-**	**(14,719,036)**	***(12,908,189)***	**(14,719,036)**	**-**	**(14,719,036)**	**-**	**(21,852,251)**	***(7,133,216)***	

Lakeshore Regional Entity Combined Monthly FSR Summary
FY 2026
May 2026 Reporting Month
Reporting Date: 7/13/26

ACTUAL:	HealthWest	Network180	OnPoint	Ottawa	West Michigan	LRE	Total
Total Distributed Medicaid/HMP Revenue	53,579,628	132,898,175	22,261,187	36,698,029	18,177,385	4,282,301	267,896,705
Total Capitated Expense	45,318,344	139,052,609	20,637,582	37,919,160	15,576,078	4,282,301	262,786,074
Actual Surplus (Deficit)	8,261,285	(6,154,435)	1,623,605	(1,221,131)	2,601,307	-	5,110,631
% Variance	15.42%	-4.63%	7.29%	-3.33%	14.31%	0.00%	
Information regarding Actual (Threshold: Surplus of 5% and deficit of 1%) *(Variance Explanation provided by CMHSP)*	HealthWest has taken a strong and proactive approach to addressing the decline in services. All areas of the organization are being thoroughly analyzed to identify opportunities for improvement. Each unit is managing service reductions specific to its population while considering the unique needs of both staff and clients. Examples of these efforts include increased field supervision, directors attending team meetings, reviews of financial determinations and Medicaid application gaps, and weekly monitoring meetings to track progress and address challenges promptly.	1. Autism service demand exceeds funding, as regional rate allocations do not reflect county-level needs. 2. The CSU uses an eligible Medicaid rate per MDHHS guidance; however, Network180 cannot determine the amount of funds in the capitation nor if it is adequate to fully fund the service. 3. Utilization remains high and consistent with FY25, driven by inpatient, autism, and CLS/Personal Care in a residential setting.	OnPoint held on provider rate increase until January 1, 2026 to confirm revenue was coming in as expected. Certain utilization has been lower than projected (particularly Autism). Staff annual wage increases happened in April. As noted below, this surplus does not include approximately $240,000 in waiver overpayments due back to LRE/MDHHS. This surplus is expected to reduce in future months.	Unfunded health and safety expenses associated Individuals who require extensive health and safety supports primarily IDD Adults. An increase in inpatient hospitalization for individuals on the Healthy Michigan Plan being served by Medicaid Health Plans. Continued expenditures resulting from emergency rate increases implemented last fiscal year to sustain residential provider operations to prevent residential closures. Please note that the vast majority of the increase in utilization and expenditures noted above are for non-CCBHC eligible services.	WM is experiencing a decline in expense related to residential care and Community Inpatient.	Less than threshold for explanation.	
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.	207,210	(1,214,038)	(240,980)	(74,366)	207,865	-	(1,114,309)
Actual Surplus (Deficit)	**8,468,495**	**(7,368,473)**	**1,382,625**	**(1,295,497)**	**2,809,172**	**-**	**3,996,322**

PROJECTION: LRE Revenue Projections as of: *March*	HealthWest	Network180	OnPoint	Ottawa	West Michigan	LRE	Total
Total Projected Medicaid/HMP Revenue	79,094,856	193,641,266	32,357,360	53,537,332	27,134,911	13,922,556	399,688,282
	(0)	0	-	0	-	-	
Total Capitated Expense Projections	76,970,040	207,688,048	32,302,624	60,735,168	27,043,915	13,922,556	418,662,351
Projected Surplus (Deficit)	2,124,816	(14,046,782)	54,737	(7,197,836)	90,996	-	(18,974,069)
% Variance	2.69%	-7.25%	0.17%	-13.44%	0.34%	0.00%	
Information regarding Projections (Threshold: Surplus of 5% and deficit of 1%) *(Variance Explanation provided by CMHSP)*	Less than threshold for explanation.	1. Autism service demand exceeds funding, as regional rate allocations do not reflect county-level needs. 2. The CSU uses an eligible Medicaid rate per MDHHS guidance; however, Network180 cannot determine the amount of funds in the capitation nor if it is adequate to fully fund the service. 3. Utilization remains high and consistent with FY25, driven by inpatient, autism, and CLS/Personal Care in a residential setting.	Less than threshold for explanation.	Unfunded health and safety expenses associated Individuals who require extensive health and safety supports primarily IDD Adults. An increase in inpatient hospitalization for individuals on the Healthy Michigan Plan being served by Medicaid Health Plans. Continued expenditures resulting from emergency rate increases implemented last fiscal year to sustain residential provider operations to prevent residential closures. Please note that the vast majority of the increase in utilization and expenditures noted above are for non-CCBHC eligible services.	Less than threshold for explanation.	Less than threshold for explanation.	

PROPOSED SPENDING PLAN: Submitted to the LRE as of: **Medicaid/HMP Revenue**	HealthWest 11/12/2025	Network180 3/11/2026	OnPoint 11/10/2025 DRAFT ONLY - NOT	Ottawa 6/10/2026 ACCEPTED AS FINAL	West Michigan 11/12/2025	LRE	Total
Total Budgeted Medicaid/HMP Revenue	79,430,870	192,305,302	32,595,722	53,601,952	27,043,915	13,922,556	398,900,317
Total Budgeted Capitated Expense	79,162,747	207,292,460	32,595,722	60,735,168	27,043,915	13,922,556	420,752,568
						-	
Budgeted Surplus (Deficit)	268,123	(14,987,158)	-	(7,133,216)	-	-	(21,852,251)
% Variance	0.34%	-7.79%	0.00%	-13.31%	0.00%	0.00%	
Information regarding Spending Plans (Threshold: Surplus of 5% and deficit of 1%) *(Variance Explanation provided by CMHSP)*	Less than threshold for explanation.	1. Autism service demand exceeds funding, as regional rate allocations do not reflect county-level needs. 2. The CSU uses an eligible Medicaid rate per MDHHS guidance; however, Network180 cannot determine the amount of funds in the capitation nor if it is adequate to fully fund the service. 3. Utilization remains high and consistent with FY25, driven by inpatient, autism, and CLS/Personal Care in a residential setting.	Less than threshold for explanation.	Unfunded health and safety expenses associated Individuals who require extensive health and safety supports primarily IDD Adults. An increase in inpatient hospitalization for individuals on the Healthy Michigan Plan being served by Medicaid Health Plans. Continued expenditures resulting from emergency rate increases implemented last fiscal year to sustain residential provider operations to prevent residential closures. Please note that the vast majority of the increase in utilization and expenditures noted above are for non-CCBHC eligible services.	Less than threshold for explanation.	Less than threshold for explanation.	

Variance between Projected and Proposed Spending Plan	1,856,693	940,377	54,737	(64,620)	90,996	-	2,878,182
% Variance	2.34%	0.49%	0.17%	-0.12%	0.34%	0.00%	
Explanation of variances between Projected and Proposed Spending Plan (Threshold: Surplus of 5% and deficit of 1%) *(Variance Explanation provided by CMHSP)*	Less than threshold for explanation.	Less than threshold for explanation.	Less than threshold for explanation.	Less than threshold for explanation.	Less than threshold for explanation.	Less than threshold for explanation.	

Lakeshore Regional Entity
FY2026 FSR Monthly Comparison of Surplus/(Deficit) Detail
(Excluding CCBHC)
May 2026 Reporting Month
Reporting Date: 7/13/26

ACTUAL:	HealthWest	Network180	OnPoint	Ottawa	West Michigan	Total
Distributed Medicaid/HMP						
Medicaid/HMP	4,747,640	(4,417,994)	(1,652,984)	(2,831,047)	1,587,435	(2,566,951)
Autism	3,720,855	(2,950,479)	3,035,609	1,535,550	1,221,737	6,563,272
Total Distributed Medicaid/HMP Revenue	8,468,495	(7,368,473)	1,382,625	(1,295,497)	2,809,172	3,996,322

PROJECTION:	HealthWest	Network180	OnPoint	Ottawa	West Michigan	Total
Distributed Medicaid/HMP						
Medicaid/HMP	(1,653,917)	(7,802,698)	(3,981,126)	(5,740,218)	(2,001,547)	(21,179,506)
Autism	3,778,733	(6,244,084)	4,035,862	(1,457,618)	2,092,543	2,205,437
Total Distributed Medicaid/HMP Revenue	2,124,816	(14,046,782)	54,736	(7,197,836)	90,996	(18,974,069)

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

Actual	Nov	Dec	*Change*	Jan	*Change*	Feb	*Change*	Mar	*Change*	April	*Change*	May	*Change*	Significant Change Explanations
HW	3,210,521	1,880,517	*(1,330,003)*	4,135,097	*2,254,579*	5,539,968	*1,404,871*	6,451,883	*911,915*	8,423,981	*1,972,098*	8,468,495	*44,514*	
N180	(2,499,914)	(3,522,325)	*(1,022,411)*	(3,796,208)	*(273,882)*	(3,743,865)	*52,342*	(3,807,003)	*(63,138)*	(4,630,644)	*(823,641)*	(7,368,473)	*(2,737,829)*	
OnPoint	369,888	400,276	*30,387*	561,154	*160,878*	793,592	*232,438*	802,046	*8,454*	1,066,231	*264,185*	1,382,625	*316,394*	
Ottawa	1,725,566	1,650,528	*(75,038)*	477,495	*(1,173,033)*	(125,262)	*(602,757)*	(1,075,092)	*(949,830)*	(2,576,399)	*(1,501,307)*	(1,295,497)	*1,280,902*	
WM	1,307,093	1,276,611	*(30,481)*	1,452,997	*176,386*	1,896,932	*443,935*	2,059,410	*162,478*	2,209,112	*149,702*	2,809,172	*600,060*	
Total	**4,113,153**	**1,685,607**	***(2,427,546)***	**2,830,536**	***1,144,929***	**4,361,365**	***1,530,830***	**4,431,244**	***69,879***	**4,492,282**	***61,038***	**3,996,322**	***(495,960)***	

Projection	Nov	Dec	*Change*	Jan	*Change*	Feb	*Change*	Mar	*Change*	April	*Change*	May	*Change*	
HW	3,869,714	(4,266,494)	*(8,136,208)*	(105,768)	*4,160,726*	1,767,867	*1,873,635*	2,657,114	*889,247*	2,640,934	*(16,180)*	2,124,816	*(516,119)*	
N180	(2,078,970)	(2,759,095)	*(680,125)*	(14,987,158)	*(12,228,064)*	(13,284,733)	*1,702,425*	(13,284,733)	*(0)*	(13,284,733)	-	(14,046,782)	*(762,049)*	
OnPoint	-	(107,520)	*(107,520)*	(107,520)	*0*	(238,361)	*(130,842)*	54,737	*293,098*	54,737	*(0)*	54,737	-	
Ottawa	(3,469,038)	(3,580,703)	*(111,665)*	(4,276,735)	*(696,032)*	(4,811,845)	*(535,110)*	(4,811,845)	*(0)*	(7,197,836)	*(2,385,990)*	(7,197,836)	-	
WM	-	50,080	*50,080*	50,080	*0*	90,996	*40,916*	90,996	-	90,996	-	90,996	-	
Total	**(1,678,294)**	**(10,663,732)**	***(8,985,438)***	**(19,427,101)**	***(8,763,370)***	**(16,476,077)**	***2,951,025***	**(15,293,732)**	***1,182,345***	**(17,695,902)**	***(2,402,170)***	**(18,974,069)**	***(1,278,167)***	

Proposed Spending Plan/Budget	Nov	Dec	*Change*	Jan	*Change*	Feb	*Change*	Mar	*Change*	April	*Change*	May	*Change*	Significant Change Explanations
HW	268,123	268,123	-	268,123	*(0)*	268,123	-	268,123	-	268,123	-	268,123	-	
N180	(2,078,970)	(2,078,970)	-	(14,987,158)	*(12,908,189)*	(14,987,158)	-	(14,987,158)	-	(14,987,158)	-	(14,987,158)	-	
OnPoint	-	-	-	-	-	-	-	-	-	-	-	-	-	
Ottawa	-	-	-	-	-	-	-	-	-	(7,133,216)	*(7,133,216)*	(7,133,216)	-	
WM	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total	**(1,810,847)**	**(1,810,847)**	**-**	**(14,719,036)**	***(12,908,189)***	**(14,719,036)**	**-**	**(14,719,036)**	**-**	**(21,852,251)**	***(7,133,216)***	**(21,852,251)**	**-**	