

CEO Report
July 19, 2022

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

1. Beacon Contract Update

The Beacon contract was terminated on July 1, 2022. A few Beacon Health Options staff participated in the External Quality Review with Health Services Advisory Group (HSAG) on July 18, 2022. If the staff no longer had positions with Beacon, then they were not available to attend the review. The exception was Dr. Monteith who made himself available to assist the LRE in person for the duration of the review.

2. Historical Deficit

June report: The LRE sent an email to MDHHS this week affirming our plan to follow the risk plan that was approved. Also referenced the revised FSRs, reasons for the revisions, and lack of feedback from MDHHS. MDHHS did respond to the email and stated that the FSRs are under review. LRE requested a timeline for completion as the LRE intent is to follow thru with the risk plan in July 2022.

July report: MDHHS does not have a timeframe on a response for LRE as there are several factors that have to be considered, not the least of which is that what LRE is proposing is currently not allowed by the contract. MDHHS is doing their due diligence by reviewing what LRE proposes to determine allowability from MDHHS' accounting, auditing and a federal standpoint. MDHHS will have to determine what if any additional downstream impacts may result if this were allowed.

According to MDHHS, the PIHP contract does not allow LRE to take the actions that we are proposing and implementing this practice without approval from the department would be considered a contract violation.

3. System Redesign Proposals

July 1, 2022, the Legislature wrapped up the FY23 budget and are basically adjourned until September – HB 5783 is the omnibus budget bill. There was no movement on SBs 597 & 598 or SB 714 (although a number of those items in the supplemental were included in the FY23 budget). Most likely there will be nothing to hear on SB 597 & SB 598 until later this fall with lame duck session, which takes place after the election in November. We are not out of the woods yet; a great deal can happen during lame duck.

4. National Suicide Prevention Lifeline

The National Suicide Prevention Lifeline has officially become 988 – the National Suicide and Crisis Lifeline – a new, nationwide three-digit number for suicide response and mental health crisis care.

This shift represents a dramatic moment in terms of access to crisis care and enhanced integration of services across the crisis continuum. For example, the critical work of mental health and substance use treatment organizations will become more visible, utilization of mobile crisis teams and crisis stabilization units will continue to expand and volume to the Lifeline via calls, chats and texts is likely to increase.

5. FY 2023 BH Capitation Rate Development

July 1, 2022, the LRE received draft rates from Milliman. A presentation was provided to show the impact on all PIHP regions.

Four key themes from 1-on-1 meetings with PIHPs:

- Workforce challenges are present across the state for many positions. A considerable portion of services are requiring overtime.
- Workforce recruitment and retention efforts have increased wages. PIHPs reported that they have increased or will be increasing reimbursement.
- Many noted concerns with future Medicaid enrollment given an uncertain PHE end date.
- Utilization has returned to pre-pandemic levels in some cases but is still materially lower for select service categories.

FY2023 rate development guiding principles

- FY2021 Base: Utilizing FY2021 experience as the base data, which reflects the most current experience for the population projected to be covered by the program in FY 2023.
- Comparison to Prior Experience
 - For select service categories, service utilization and cost has reduced relative to FY2019 experience.
 - Rates anticipate that utilization in these service categories will rebound in FY2023 but will not fully return to pre-pandemic levels.
- Public Health Emergency (PHE)
 - Current rate development assumes the PHE remains in effect through the end of FY 2023.
 - **If the PHE ends during FY 2023, the rates will need to be amended to reflect redetermination strategy implemented by MDHHS.**

SFY 2021 vs Projected SFY 2023

POPULATION	SFY 2021 ENROLLMENT (AVERAGE MONTHLY MEMBERS)	DRAFT SFY 2023 PROJECTED ENROLLMENT (AVERAGE MONTHLY MEMBERS)	INCREASE/DECREASE
<u>State Plan/EPSTD/1915(i) Waiver</u>			
DAB	518,417	547,000	5.5%
TANF	1,343,417	1,483,000	10.4%
HMP	860,917	986,000	14.5%
<u>1915(c) Waiver</u>			
CWP	423	423	0.0%
HSW	7,606	7,606	0.0%
SED	447	447	0.0%

Overall, the entire state will have a 2.9% reduction in the capitation rate and the LRE will sustain the largest reduction of all ten PIHPs at 5%.

I responded to the letter and sent an email to Keith White, actuarial division, a meeting is scheduled at 3:00 PM immediately following the LRE BOD meeting on 7.21.2022.

ANNOUNCEMENTS:**Upcoming Board Training**

Save the date for August 24th from 9am-12pm. The work session will be focused on a training for Board Members on governance model and expectations and responsibilities of Board Members of LRE.

18th Annual ‘Walk a Mile in My Shoes’ Rally

The 18th Annual ‘Walk a Mile in My Shoes’ Rally will be held IN PERSON next year on the State Capitol Lawn in Lansing, on September 15, 2022. Each year, this event draws upwards of 2,500 advocates from across Michigan to the Capitol Building to support public behavioral healthcare. This rally aims to highlight the need for increased funding for mental health services, raises awareness of behavioral health needs in health and policy discussions and works to banish behavioral health stigmas. There are more than 300,000 citizens in Michigan who seek behavioral health services. Mark your calendars and make plans to join us on Thursday, September 15, 2022, as we rally together on the Capitol Lawn for increased mental health funding and the need for behavioral health to be continually included in policy discussions.

To access the most up to date information, check the CMHA website at:

<https://cmham.org/education-events/walk-a-mile-rally/>

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