

EXECUTIVE COMMITTEE SUMMARY

Wednesday January 8, 2020, 3:00 PM

LRE, 5000 Hakes Drive, Norton Shores 49441, Lobby Conference Room

Present: Mark DeYoung, Peg Driesenga, John Snider, Stan Stek, Jane Verduin

WELCOME

- a. Review of January 8, 2020 Meeting Agenda
- b. Review of December 11, 2019 Meeting Minutes

The January 8, 2020 meeting agenda and December 11, 2019 meeting minutes were accepted as presented.

LRE/MDHHS SETTLEMENT UPDATE

- a. MDHHS Settlement Offer
 - i. The LRE was scheduled to have a meeting with MDHHS which was cancelled and rescheduled as a phone call for Monday, 1/6. Calling into the meeting was Mark DeYoung (LRE Board Chair), Greg Hofman (LRE CEO), LRE legal representation Greg Moore and the CMH CEOs. The negotiating team had a follow-up meeting to discuss next steps with negotiating with MDHHS.
 - ii. Elizabeth Hertel has been the main lead for discussions about regional deficit. The negotiating team and MDHHS are in the process of scheduling further meetings to continue to negotiate the regional deficit.
 - iii. Any settlement that the LRE agrees to may also have implications for other regions within Michigan and should be taken into consideration.
 - iv. Mr. Hofman will continue to update the Board.
- b. Board Structure
 - i. Kristi Heyse, State AG contacted Mr. Moore to inform him that after further research the proposed Board structure may have legal impediments around having MDHHS and Beacon on the LRE Board. MDHHS suggested that the LRE design another Board Structure for them to review. They stated that the redesign should still include opportunity for MDHHS/Beacon input.
 - ii. A tentative meeting for 1/17 with LRE negotiating team and MDHHS is being confirmed.

FY20 BUDGET RISK MANAGEMENT PLAN UPDATE

- a. The FY20 Risk Management Plan was taken off the Board agenda in December. We have received feedback from the CMHs that has been incorporated.
- b. This will be vetted by the CMH CEOs and brought to January Board for approval.

REGIONAL ALLOCATION MODEL UPDATE

- a. The LRE have received the updated allocation model using FY18 data from Milliman.
- b. There have been incorrect assumptions identified. Milliman will have to address for this to be actuarially sound and before the Region will move forward.

HSAG AUDIT

- a. Last summer the LRE had an external quality review that we did not do well with. There were negative findings due to the implementation of the LRE/Beacon contract. Mr. Hofman will give more detail in his Board report.
- b. Mr. Hofman comments that he has discussed with Beacon and moving forward we will continue to make improvement.

FEDERAL AUDIT ON DECEASED BENEFICIARIES

- a. The LRE received a memo from MDHHS that explains that there will be a recoupment of funds because of an error on their part. The total amount that was stated to be sent back is \$244,000.
- b. The PIHP CFOs would like to vet the issue because they are finding that some of the payments that are being included in the recoupment were not made to the PIHPs.

BOARD MEETING AGENDA ITEMS –

- a. STR Funding – Amendment to Exhibit E in the LRE/CMHSP Contract – Action Item

BOARD WORK SESSION AGENDA

- a. There will be no work session for the January meeting.

OTHER

Susan Wakefield has given Mr. DeYoung her resignation and during the December Mr. Gale gave Mr. DeYoung his resignation.

UPCOMING MEETINGS

- January 16, 2020 – LRE Board Meeting, 1:00 PM
HealthWest, 376 E. Apple Avenue, Muskegon, MI 49442
- February 12, 2020 – LRE Executive Committee, 3:00 PM
- February 13, 2020 – Consumer Advisory Panel, 1:00 PM
- February 20, 2020 - LRE Board Meeting, 1:00 PM
Fillmore Complex, 12220 Fillmore Street, West Olive, MI 49460

ADJOURN