

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		7/22/26	
Review Cycle: Annually			
Developed and Maintained by: CEO and Designees			
Supersedes: N/A	Effective Date: 9/17/16	Revised Date: 7/22/2026	

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.

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.

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.
2. 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.
3. 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.
4. Directors will review materials in advance and come prepared to participate in deliberations and make informed decisions.
5. 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

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. REFERENCES and SUPPORTING DOCUMENTS

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

- C. 42 CFR Part 438
- D. Michigan Mental Health C

VII. RELATED POLICIES AND PROCEDURES

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

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