

Region 10  
Genesee • Lapeer • Sanilac • St. Clair Counties

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GROUP MEETING: Region 10 PIHP Board  
PLACE: Region 10 PIHP – Summit Conference Room  
3111 Electric Ave., Port Huron, MI / Virtual Meeting via MS Teams  
DATE: August 21, 2020  
TIME: 9:00 a.m.  
PRESIDING: Lori Curtiss, Chairperson

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PRESENT: Terry Bankert, Wanda Cole, Lori Curtiss, Dr. Niketa Dani, DeElla Johnson, Joyce Johnson, Gary Jones, Robert Kozfkay (arrived at 9:15 a.m.), Elva Mills, Ed Priemer, Wayne Strandberg, Nancy Thomson

ABSENT: Ronald Barnard, Bobbie Umbreit

ALSO PRESENT: *Region 10 PIHP Staff:* Jim Johnson, CEO; Richard Carpenter, CFO; Kelly VanWormer, COO; Kristen Potthoff, Compliance Officer; Lauren Bondy, Quality Manager; Robin Kalbfleisch, Recording Secretary

*CMH Staff:* Lauren Emmons, Lapeer CMH; Dan Russell, GHS

GUESTS: Jason Kelly, BDO

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I. CALL TO ORDER

The meeting was called to order at 9:00 a.m. by Chairperson Curtiss. Roll call was conducted by Recording Secretary.

II. CITIZENS WISHING TO ADDRESS THE BOARD

None

III. AGENDA CHANGES (*Action*)

It was moved by Ms. Mills seconded by Ms. Thomson to approve the meeting agenda as presented. **MOTION CARRIED** by roll call vote: Ayes: Terry Bankert, Wanda Cole, Lori Curtiss, Dr. Niketa Dani, DeElla Johnson, Joyce Johnson, Gary Jones, Elva Mills, Ed Priemer, Wayne Strandberg, Nancy Thomson; Nays: None

IV. APPROVAL OF PREVIOUS MEETING MINUTES (*Action*)

It was moved by Ms. Joyce Johnson, seconded by Dr. Dani, to approve the July 17, 2020 meeting minutes as presented. **MOTION CARRIED** by roll call vote: Ayes: Terry Bankert, Wanda Cole, Lori Curtiss, Dr. Niketa Dani, DeElla Johnson, Joyce Johnson, Gary Jones, Elva Mills, Ed Priemer, Wayne Strandberg, Nancy Thomson; Nays: None

## V. PRESENTATION: 2019 AUDIT AND COMPLIANCE EXAM

Mr. Carpenter introduced Mr. Jason Kelly of BDO who presented the Audit Wrap-Up for FY 2019. The audit of the financial statements and related internal controls was completed and an unmodified, or clean, opinion was issued, which means there were no material misstatements and it was presented in accordance with generally accepted accounting principles. A Single Audit was also conducted, which also had an unmodified opinion on the compliance requirements. There were no deficiencies or material weaknesses to be reported. Mr. Kelly reviewed the financial highlights showing the net position as of the end of FY 2019. He noted there was one finding to report, which was that Sanilac and Lapeer counties were not remitting their PA2 funds appropriately to the Region, which has been a recurring issue over the past several years.

## VI. FINANCE

### A. FY2020 Budget

#### 1. Monthly Finance Report – June 2020 (*Action*)

Presented by Mr. Carpenter who reviewed the eligibles and revenue. The increase in revenue was related to the April-June Direct Care Wage payment. In July, the July-September Direct Care Wage payment will be received, so there will be another spike in revenue that month. Medicaid surplus is at \$24.5 million; Healthy Michigan surplus is at just over \$2 million. He continues to meet with CMH CFOs to discuss how to utilize the funding. Mr. Carpenter noted that we will be able to carry forward 7 ½ % in the Medicaid ISF and 5% in Medicaid Savings, and they are both almost completely full, so there may be a lapse back to the state.

It was moved by Mr. Kozfkay, seconded by Ms. Cole, to approve the Monthly Finance Report for June 2020 as presented. **MOTION CARRIED** by roll call vote: Ayes: Terry Bankert, Wanda Cole, Lori Curtiss, Dr. Niketa Dani, DeElla Johnson, Joyce Johnson, Gary Jones, Bob Kozfkay, Elva Mills, Ed Priemer, Wayne Strandberg, Nancy Thomson; Nays: None

*Jason Kelly left the meeting.*

#### 2. Monthly Payment Report – June 2020 (*Action*)

Presented by Mr. Carpenter.

It was moved by Dr. Dani, seconded by Mr. Priemer, to approve the Monthly Payment Report for May 2020 as presented. **MOTION CARRIED** by roll call vote: Ayes: Terry Bankert, Wanda Cole, Lori Curtiss, Dr. Niketa Dani, DeElla Johnson, Joyce Johnson, Gary Jones, Bob Kozfkay, Elva Mills, Ed Priemer, Wayne Strandberg, Nancy Thomson; Nays: None

### B. FY20 SUD Contracts

Mr. Carpenter stated that Contract Monitoring reviews for SUD contracts are typically done during the summer. They are used, along with other contract review tools, to make a determination on expanding the current provider network or re-contracting with current providers. The COVID-19 pandemic has made in-person reviews impossible. We are recommending a 3-month extension on the FY20 SUD contracts to give us additional time to do the monitoring and reviews that are required. This would extend the contracts through the month of December. Mr. Johnson stated that we have also committed to making sure providers stay viable during the pandemic and have discussed reviewing the rates and

doing a retro rate adjustment if necessary. The contracts will be brought to the Board in September to be formally extended.

C. FY2021 Budget

Mr. Carpenter reported that we have received a rate certification from the Department that tells us how much we will get paid per eligible per month in FY21. He is in the process of projecting what that will mean in actual revenue. He will discuss with CMH CFOs at their meeting in September and has also asked them to submit their Medicaid and Healthy Michigan spending plans for inclusion in the budget.

D. Performance Based Incentive Fund Requests Policy # 04.01.04 (*Action*)

Mr. Carpenter presented the revised draft of the Performance Based Incentive Fund Requests Policy. It had been requested by the Board at the June meeting to update the policy to include the requirement that the PIHP Board must approve all PBIP requests. There is currently just over \$5 million available for these requests, and funds are held by Region 10 until requested.

It was moved by Ms. Mills, seconded by Ms. Cole, to approve the Performance Based Incentive Fund Requests Policy # 04.01.04 as presented. **MOTION CARRIED** by roll call vote: Ayes: Terry Bankert, Wanda Cole, Lori Curtiss, Dr. Niketa Dani, DeElla Johnson, Joyce Johnson, Gary Jones, Bob Kozfkay, Elva Mills, Ed Priemer, Wayne Strandberg, Nancy Thomson; Nays: None

E. GHS/Genesee County Settlement

Mr. Carpenter reported that we do not need formal Board action as Region 10 and GHS have been able to identify a resolution to clear the receivable as needed by Region 10 and address the concerns by GHS related to cash flow. Mr. Johnson stated that the Department declined to meet with us, and the Governor's office did not respond to our request to meet. The resolution is that Region 10 will reduce the August payment to GHS by approximately \$2.6 million. If this causes a cash flow issue for GHS, we can forgo the monthly smoothing payment for the month, or GHS can request an advance of up to 4% of their current budget if needed. This will ensure that everything remains in compliance.

*Richard Carpenter left the meeting.*

VII. CONTRACTS

A. FY20 MDHHS-PIHP Contract Amendment No. 4 (*Action*)

Ms. Potthoff reviewed the Summary of Changes document for this contract amendment. Language changes were added regarding the Direct Care Wage increase and the Provider Network Stability Plans for FY2020.

It was moved by Ms. Mills, seconded by Dr. Dani, to approve FY20 MDHHS-PIHP Contract Amendment No. 4 as presented. **MOTION CARRIED** by roll call vote: Ayes: Terry Bankert, Wanda Cole, Lori Curtiss, Dr. Niketa Dani, DeElla Johnson, Joyce Johnson, Gary Jones, Bob Kozfkay, Elva Mills, Ed Priemer, Wayne Strandberg, Nancy Thomson; Nays: None

VIII. QUALITY IMPROVEMENT

A. FY20 Quality Improvement Workplan – 3<sup>rd</sup> Quarter (*Action*)

Ms. Bondy reviewed the QAPIP Summary of the Quality Improvement Workplan for the 3<sup>rd</sup> Quarter.

It was moved by Ms. Joyce Johnson, seconded by Ms. Thomson, to approve the FY20 Quality Improvement Workplan – 3<sup>rd</sup> Quarter as presented. **MOTION CARRIED** by roll call vote: Ayes: Terry Bankert, Wanda Cole, Lori Curtiss, Dr. Niketa Dani, DeElla Johnson, Joyce Johnson, Gary Jones, Bob Kozfkay, Elva Mills, Ed Priemer, Wayne Strandberg, Nancy Thomson; Nays: None

IX. DIRECTOR’S REPORT

Mr. Johnson reported that there have been questions from providers regarding the Direct Care Wage payments and Network Stability Plans. Related to the direct care wage increase, there is confusion regarding who is getting the increase and when they will be getting it. This increase is a Medicaid direct care wage increase, for people who provide specific billable services. It does not apply to all direct service workers. Regarding Network Stability Plans, regions are handling things differently, and in some regions, there are concerns from providers. There have been no complaints from providers in our region.

Michigan has been approved as a Certified Community Behavioral Health Clinic (CCBHC) demonstration site, along with Kentucky. Both St. Clair and GHS are CCBHC sites.

The State has a huge budget issue right now, and we have not heard if there are issues with the Federal budget at this time. There is a revenue estimating conference next week, so we will hear more about the FY21 State budget after that.

The system redesign efforts have been put on hold but will likely always be a threat. The State has been pleased with the PIHPs and CMHs stability plans and how they have handled the pandemic.

All ten PIHPs have reached an agreement to use the ASAM Assessment tool instead of GAIN. This tool does not fully meet CARF requirements, so ASAM is working with CARF to see if there is a way to adjust the ASAM tool to meet the accreditation standards. If MDHHS approves, this will be part of our FY21 contract.

The “KB” Settlement is a class action lawsuit against MDHHS and the State of Michigan regarding children not having consistent access to Mental Health services. The State and Plaintiffs have reached a tentative agreement, which includes the State having a plan in place by December 2020 to better accommodate children with emotional, intellectual, and developmental needs. The State also agreed to use a standardized screening and assessment tool statewide.

X. ANY OTHER BUSINESS TO PROPERTY COME BEFORE THE BOARD

None

XI. CITIZENS WISHING TO ADDRESS THE BOARD

None

XII. ADJOURNMENT

It was moved by Ms. Thomson to adjourn the meeting. With no further business to discuss, Chairperson Curtiss adjourned the meeting at 10:26 a.m.

Respectfully submitted,

Reviewed and approved,

Robin Kalbfleisch  
Recording Secretary

Wanda Cole  
Region 10 Board Secretary/Designee