AGENDA

OnPoint Board of Directors Meeting
Tuesday, November 21, 2023 at 5:30 PM
Board Room, 540 Jenner Drive, Allegan, MI 49010

Also available virtually at the link or phone number below
Microsoft Teams meeting
Join on your computer or mobile app
Click here to join the meeting

Or call in (audio only)
+1 616-327-2708,,896969400# United States, Grand Rapids
Phone Conference ID: 896 969 400#

1. Call to Order – Commissioner Gale Dugan
2. Pledge of Allegiance
3. Provision for Public Comment (agenda items only, 5" limit per speaker)
4. Approval of Agenda
5. LRE Updates – Mary Dumas or alternate
6. Consent Agenda

   (All items listed are considered to be routine and will be enacted by one motion. There will not be separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda upon request of any board member and will be considered separately.)

   a. Motion – Approval of prior minutes:
      i. Board Meeting (10/17/2023)
      ii. Finance Committee (10/17/2023)
      iii. Program Committee (10/17/2023)
      iv. Executive Committee (10/13/2023)
7. Program Committee – Alice Kelsey
8. Finance Committee Report – Beth Johnston
   a. Motion – Approval of Voucher Disbursements
9. Recipient Rights Advisory Committee (Feb/May/Aug/Nov) – Glen Brookhouse
10. Chairperson's/Executive Committee Report – Commissioner Dugan
11. OnPoint Executive Director's Report – Mark Witte
12. Provision for Public Comment (any topic, 5" limit per speaker) – Commissioner Dugan
13. Board Member Comments – Commissioner Dugan
14. Adjournment
15. Future Meetings:
    a. December 15, 2023 @ 2:30 pm – Executive Committee
    b. December 19, 2023 @ 4:00 pm – Program Committee
    c. December 19, 2023 @ 4:30 pm – Finance Committee
    d. December 19, 2023 @ 5:30 pm – Full Board Meeting

AGENDA

OnPoint Board Finance Committee
November 21, 2023 @ 4:30 pm

Hamilton Conference Room
540 Jenner Drive, Allegan MI 49010

1) Call to Order – Beth Johnston
2) Public Comment (agenda items only, 5” limit per speaker)
3) Approval of Agenda
4) Approval of Minutes
5) Review of Written Reports
   a) Facilities & Human Resources – Andre Pierre
   b) Administrative Services Report – Andre Pierre
6) Action Items
   a) Motion – to Recommend Board Approval of Voucher Disbursements
   b) Motion – to Recommend Board Approval of Contracts
   c) Motion – to Recommend Board Approval of Health Insurance Exemption
   d) Motion – discussion topic and motion to be introduced at Finance Meeting
7) Informational Items
   a) Financial Reports
8) Finance Committee Member Comments
9) Public Comment (any topic, 5” limit per speaker)
10) Adjournment – Next Meeting December 19, 2023 at 4:30 pm, 540 Jenner Drive, Allegan, MI

Finance Committee Members: Beth Johnston, Chair; Glen Brookhouse, Vice Chair; Commissioner Mark DeYoung; Commissioner Gale Dugan, Pastor Craig Van Beek

OnPoint

DRAFT Finance Committee Minutes

October 17, 2023 – 4:30 pm

Location: 540 Jenner Drive

Board Members Present: Glen Brookhouse, Gale Dugan, Mark DeYoung, Beth Johnston, Pastor Craig VanBeek

Board Members Absent: None

Staff Members: Mark Witte, Andre Pierre, Nikki McLaughlin

Public Present: None

1. **Call to Order** – Glen Brookhouse – Vice-Chairperson, called the meeting to order at 4:30 p.m. (Note, Ms. Johnston had prior commitment and arrived during meeting to finish Chairing)
2. **Public Comment** – None
3. **Approval of Agenda**

   Moved: Mr. Dugan Supported: Mr. DeYoung

   Motion carried.
4. **Approval of Minutes**

   Moved: Mr. Dugan Supported: Pastor VanBeek

   Motion carried.
5. **Review of Written Reports:**
   a. Facilities & Human Resources

      Mr. Pierre reviewed his report with the Finance Committee. Mr. Pierre has been working closely with County IT, walking through building and updating meeting room requirements to be more "workable" areas. Cameras currently outside of building to add additional four. County Facilities will be installing the Verizon extenders in the hallways for better signal throughout the building the week of October 16th. The switch was installed for the generator, still waiting to hear back from vendor if a portable generator could be used to power building with this switch. Mr. Pierre discussed the continuation of hiring positions for CCBHC as well as vacant positions. Some positions are starting to be filled. Vision Matters, the Human Resource consultant, contract has ended. Mr. Pierre discussed the use of Rehmann to fulfill the need still present in Human Resource for consultation services to develop policy.

   b. Administrative Services Report

      Mr. Pierre reviewed the administrative report with the Finance Committee. MEDC grant has been extended through December 31, 2024. The IT audit submitted plans and getting preliminary feedback. Look for final report next month. Mr. Pierre talked about the PPS rate that was submitted to state for approval was funded in full at $513/visit. This will most likely be adjusted in the future.
6. **Action Items:**
   a. The Finance Committee recommends that the OnPoint Board approve the September 2023 disbursements totaling $4,864,848.17.

      Moved: Pastor VanBeek Supported: Mr. Brookhouse

      Motion carried.
7. **Informational Items**

a. **Financial Reports**

Mr. Pierre reviewed the financial reports from August. The deficit elimination plan that was submitted is showing ahead of schedule in reduction.

8. **Finance Committee Member Comments**

None

9. **Public Comment**

None

10. **Next Meeting** – November 21, 2023, at 4:30 pm.

11. **Adjournment**

Moved: Mr. Dugan Supported: Mr. DeYoung

Motion carried.

Meeting adjourned at 5:04 pm.

Administrative Services Board Report November 2023

Submitted by Andre Pierre, Chief Financial Officer
269.569.3238 – APierre@OnPointAllegan.org

We have officially taken occupancy of the new building on May 5, 2023. There still remains a "punch list" of small building items/projects to be completed. These items are on track to be completed over the next few months. We are processing the nineteenth construction draw totaling $65,534.19 which will be funded through the United States Department of Agriculture (USDA) loan and Michigan Economic Development Corporation (MEDC) grant. During the month of September, we did not execute any change order requests. We continue to meet with Cornerstone Construction and Schley Nelson Architects to review change orders, requests for information, and project status.

This month's packet includes the monthly financial report for September 2023. This is the tenth month under the agency's new chart of accounts after implementing Standard Cost Allocation. We are required to track staff time and costs at a greater level of detail than in the past, and to change the methodology we use to allocate costs. Overall, this change in methodology has not resulted in a significant change in cost by funding source. The Summary Schedule of Revenues and Expenses by Fund Source shows the difference between the revenue received from the Lakeshore Regional Entity (LRE) and the State of Michigan Department of Health and Human Services (MDHHS) and the eligible expenses incurred by OnPoint. These fund sources are cost settled at the end of each year, and any unspent funds are required to be returned to the LRE or MDHHS. We are projecting to return approximately $1,114,284 (MH Medicaid and SUD Medicaid combined) to the LRE and carry forward/lapse approximately $592,517 in General Funds back to MDHHS.

Following the statements are several charts showing the trending of capitation revenue from the LRE for the past three fiscal years. Additionally, there are several charts comparing the revenue and expense by funding category for each month of this fiscal year. Finally, there are key indicators tables showing summary service data for each month of the fiscal year to date.

The Lakeshore Regional Entity (LRE) completed our IT Compliance Audit August 3, 2023. In October we received feedback from the LRE that they have accepted our corrective action plans, which were submitted in September. OnPoint is now in the active implementation stage and will provide periodic updates to key stakeholders as warranted.

I continue to work together with Erinn Trask in the transition of responsibilities. Due to the complex nature of Community Mental Health Service Program (CMHSP) finances and reporting requirements, our collaboration will continue over the next several months, as I progress into the scope of this role.

Sincerely,

Andre Pierre
Chief Financial Officer
November 9, 2023

Full Board ACTION REQUEST	Subject:	Voucher Disbursements
	Meeting Date:	November 21, 2023
	Requested By:	Beth Johnston, Finance Committee Chairperson

RECOMMENDED MOTION:

The Finance Committee recommends that the OnPoint Board approve the October, 2023 disbursements totaling $3,425,204.55.

SUMMARY OF REQUEST/INFORMATION:

Date Issued:	Voucher Number:	Type:	Amount:
October 1, 2023	N/A	Loan Payment	$21,334.00
October 9, 2023	V0924	Construction	$34,898.62
October 13, 2023	P1711	Payroll (FY23/24)	$423,597.33
October 16, 2023	V0922	Vendor (FY 24)	201,436.77
October 16, 2023	V0923	Vendor (FY 23)	$1,376,715.00
October 27, 2023	P1712	Payroll (FY 24)	$347,656.24
October 31, 2023	V0925	Vendor (FY 23)	$544,429.46
October 31, 2023	V0926	Vendor (FY 24)	$475,137.13

BUDGET/FINANCIAL IMPACT

- These disbursements are part of the approved fiscal year 2023 and fiscal year 2024 (as designated) operating budget for OnPoint.

BY: Nikki McLaughlin, Accounting Manager	**DATE:** November 21, 2023

Full Board **ACTION REQUEST**	**Subject:**	**Contracts**
	Meeting Date:	November 21, 2023
	Requested By:	Beth Johnston, Finance Committee Chairperson

RECOMMENDED MOTION:

The Finance Committee recommends that the OnPoint Board approve the following list of provider contracts for fiscal year 2024.

SUMMARY OF REQUEST/INFORMATION:

Provider	**Contracted Service(s)**
Andyman Improvements	One time Home modification
Mindfulness Over Matters, LLC	Professional Services (Grant)

BUDGET/FINANCIAL IMPACT

- These contracted services are part of the fiscal year 2024 operating budget for OnPoint.

BY: Nikki McLaughlin, Accounting Manager **DATE: November 21, 2023**

Full Board ACTION REQUEST	Subject:	Health Insurance Exemption
	Meeting Date:	November 21, 2023
	Requested By:	Beth Johnston, Finance Committee Chairperson

RECOMMENDED MOTION:

The Finance Committee recommends a motion to comply with the requirements of 2011 Public Act 152, the Publicly Funded Health Insurance Contribution Act, by adopting the annual Exemption option for the medical benefit plan coverage year January 1, 2024, through December 31, 2024.

SUMMARY OF REQUEST/INFORMATION:

- Annually the State of Michigan publishes the maximum amount that a public employer can pay for employee health insurance by plan type (single, employee plus spouse/one, and family).
- If public employers do not want to use the hard cap rates published by the State of Michigan, the employer can adopt a resolution to pay 80% of the health insurance cost for employees or public employers can adopt a resolution to exempt themselves from this requirement.
- The Allegan County Community Mental Health Services dba OnPoint Board has historically exempted itself from the hard cap requirement.

BUDGET/FINANCIAL IMPACT

- The fiscal year 2024 budget included an employer share over the hard cap amount. This motion does not represent a change to the Board's budget.

BY: Andre Pierre, Chief Financial Officer	**DATE:** November 13, 2023

OnPoint
Caring for Allegan County

faFull Board ACTION REQUEST	Subject:	Authorization to Purchase New EHR
	Meeting Date:	November 21, 2023
	Requested By:	Beth Johnston, Finance Committee Chairperson

RECOMMENDED MOTION:

The OnPoint Board authorizes the Executive Director to enter into a contractual purchase for Electronic Health Record (EHR) services from vendor PCE on behalf of the board for OnPoint's future growth.

SUMMARY OF REQUEST/INFORMATION:

- OnPoint is currently on Streamline to support the capture and billing of the behavioral health services it provides. The system will not effectively support our strategic direction going forward.
- Note the strategic value and impact of the installed user base in Michigan is significant.
  - PCE is the platform on which multiple CMHs, PIHPs and MDHHS collectively operate.
  - PCE has been at the table every step of the way with the state's CCBHC Demonstration project.
- In the face of a rapidly changing future, OnPoint cannot compromise the quality of the technology supporting the delivery of services. Doing so introduces possible administrative and clinical risks in faults/failures.
  - OnPoint will maintain and increase its already high data integrity due to the design of PCE's system: a fully integrated system.
  - OnPoint will have access to the same tech support for routine issues as well as the occasional crisis that the LRE and other CMH's experience. This would simultaneously eliminate barriers in the capture or exchange of information.
- Converting to the PCE platform introduces an inherent value of alignment with MDHHS standards, because they are included in the software.
  - PCE is supporting the standardization of data management in behavioral health service delivery.
  - PCE is involved with MDHHS requirement changes as they are conceived and prepares the platform to meet standards when they are required.
  - PCE will enhance OnPoint's ability to help the region more reliably meet its data reporting standards (compliance, timeliness, and volume)
- The overall benefit to the agency is the cost avoidances PCE will create by providing staff with tools to make their work less burdensome.
  - PCE's on-going work with MDHHS in the development of changes that transpire will assist OnPoint staff in the submission of data more efficiently.
  - OnPoint will have improved capability extracting CCBHC requirements due to software enhancements to accommodate CCBHC demonstration services, including performance measures. This will reduce the reporting burdens on staff.
- PCE will cost more to operate. The purchase and implementation cost is based on a mostly all-inclusive fee. The additional cost is not in the current budget, but we did budget for a surplus and expect that it will cover the additional expense. In addition, we are constructing a budget amendment which will include the full cost. Lastly, our return on investment will be achieved through improved system performance, more efficient documentation, on-time system enhancements, "automatic" contractual compliance improvements, and reduced utilization of 3rd party tech support.

BUDGET/FINANCIAL IMPACT	
The net increase of $215,000 in anticipated expenditure will be covered by our surplus in revenues.	
BY: Andre Pierre	**DATE:** November 21, 2023

ONPOINT

Period Ended September 30, 2023

Monthly Finance Report

This financial report is for internal use only. It has not been audited, and no assurance is provided.

ONPOINT

Summary of Variances and Fluctuations

September 30, 2023

I. Assets

- Cash and cash equivalents - Slight decrease is due to the repayment of the fiscal year 2022 settlement balance, which is offset by the timing of monthly payments from the Lakeshore Regional Entity (LRE). See corresponding decrease in Due from Other Governmental Units and Due to Other Governmental Units.
- Due from other governmental units - Significant decrease is due to timing of monthly payments.
- Prepaid items - Increase is primarily related to the timing of the October 2023 health insurance payment, which was made prior to month-end.
- Capital assets - Significant increase is due to construction work on the agency's new building. The building was placed in service and began being depreciated during the month of May 2023.

II. Liabilities

- Accounts payable - Primary component of significant decrease is related to the outstanding construction payable and retainage payable at September 30, 2022, which was much lower due to the building being placed into service in May 2023.
- Due to other governments - Slight decrease is due to the repayment of the full fiscal year 2022 settlement balance due to the LRE, which is offset by the accrual of the fiscal year 2023 settlement balance.
- Unearned revenue - Increase is primarily related to the General Fund revenue that can be carried forward into fiscal year 2024 which has been recorded as unearned revenue.
- Notes payable - Significant increase is related to draws on the agency's loan from the United States Department of Agriculture (USDA) to fund the building construction project. See the corresponding increase in capital assets above.

III. Operating revenue

- Performance based incentive payment - This is a once annual payment, earned by the CMHSP by achieving quality measures. The past several years this funding was withheld by the LRE, and as such the revenue was not budgeted for in the current year.
- Other reimbursements and revenue - Significant variance is due to increase in third-party billings, as an increasing number of individuals are served under the Certified Community Behavioral Health Clinic (CCBHC) model.

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Summary of Variances and Fluctuations

September 30, 2023

IV. Operating expenses

- Salaries and wages and fringes - Significant variance is due to vacant positions for the year to date.
- Supplies and materials - Significant variance is due to in part to less technology replacements than budgeted, as well as certain items being recorded as miscellaneous expense.
- Provider network services - Increase over budget is primarily related to state mandated increases for methadone services; along with increases in service utilization (see trend charts at the end of this report).
- Contractual services - Variance is due in part to utilizing contracted staffing for vacant positions (see corresponding variances in salaries and fringes above), as well as identified enhancements to the agency's electronic health record.
- Depreciation expense - The original budget did not include depreciation for the new building (as the final building cost and construction completement date were not know at the time the budget was prepared) which was placed into service in May 2023.

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Summary Schedule of Revenues and Expenses by Fund Source

October 1, 2022 through September 30, 2023

Mental Health Services	Medicaid	Autism	Healthy MI Plan	Medicaid Combined	General Fund
Revenue	$ 24,496,317	$ 4,026,028	$ 2,912,823	$ 31,435,168	$ 1,783,204
Expense	25,582,972	2,411,365	3,200,733	31,195,070	1,190,687
Revenue over/(under) expenses	$ (1,086,655)	$ 1,614,663	$ (287,910)	$ 240,098	$ 592,517

Substance Use Disorder Services	Medicaid	Healthy MI Plan	Medicaid Combined	SUD Block Grant	Public Act 2
Revenue	$ 752,110	$ 1,526,451	$ 2,278,561	$ 316,544	$ -
Expense	489,835	914,531	1,404,366	316,544	-
Revenue over/(under) expenses	$ 262,275	$ 611,920	$ 874,195	$ -	$ -

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Statement of Net Position

September 30, 2023

	September 2022	September 2023 (unaudited)
Assets		
Current assets:		
Cash and cash equivalents	$ 3,613,590	$ 3,201,202
Accounts receivable	79,421	89,757
Due from other governmental units	2,136,967	868,056
Prepaid items	447,203	568,944
Total current assets	6,277,181	4,727,959
Non-current assets:		
Capital assets not being depreciated	4,986,365	-
Capital assets being depreciated, net	23,050	8,961,622
Total non-current assets	5,009,415	8,961,622
Total assets	11,286,596	13,689,581
Liabilities		
Current liabilities:		
Accounts payable	$ 3,683,185	$ 2,535,428
Accrued payroll and benefits	291,048	153,237
Due to other governmental units	2,619,923	2,297,987
Unearned revenue	544,964	618,743
Compensated absences - current portion	94,855	94,855
Notes payable - current portion	256,008	256,008
Total current liabilities	7,489,983	5,956,258
Long-term liabilities:		
Compensated absences	537,509	537,966
Notes payable	1,893,586	4,787,373
Total long-term liabilities	2,431,095	5,325,339
Total liabilities	9,921,078	11,281,597
Net position		
Invested in capital assets	2,859,821	3,918,241
Restricted for building construction	852,754	-
Unrestricted	(2,347,057)	(1,510,257)
Total Net Position	$ 1,365,518	$ 2,407,984

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Statement of Revenue, Expenses and Change in Net Position

October 1, 2022 through September 30, 2023
Percent of Year is 100.00%

	Total FY 2023 Budget	YTD Totals 9/30/23	Under/(Over) Budget	Percent of Budget - YTD
Operating revenue				
Medicaid:				
Traditional Capitation	$ 25,193,969	$ 24,496,317	$ 697,652	97.23%
Traditional Capitation-Autism	3,937,779	4,026,028	(88,249)	102.24%
Traditional Settlement	(619,666)	(528,008)	(91,658)	
Healthy Michigan Capitation	2,697,512	2,918,562	(221,050)	108.19%
Healthy Michigan Settlement	(274,727)	287,910	(562,637)	
Substance use disorder revenue:				
Traditional Capitation	730,726	752,110	(21,384)	102.93%
Traditional Settlement	(465,390)	(262,275)	(203,115)	
Healthy Michigan Capitation	1,541,824	1,526,451	15,373	99.00%
Healthy Michigan Settlement	(983,316)	(611,920)	(371,396)	
State General Fund:				
Formula Fundings	1,707,737	1,783,204	(75,467)	104.42%
Settlement	(110,377)	(592,517)	482,140	
Grants and earned contracts	5,109,145	5,315,863	(206,718)	104.05%
Local funding	346,095	346,095	-	100.00%
Performance based incentive payment (PBIP)	-	245,757	(245,757)	
Other reimbursements and revenue	268,262	497,316	(229,055)	185.38%
Total operating revenue	$ 39,079,574	$ 40,200,893	$ (1,121,319)	102.87%
Operating expenses				
Salaries and wages	$ 11,496,279	$ 10,230,229	$ 1,266,050	88.99%
Fringe benefits	3,818,274	3,373,252	445,022	88.34%
Supplies and materials	409,807	280,303	129,504	68.40%
Provider Network services	20,980,022	22,127,566	(1,147,544)	105.47%
Contractual services	1,642,209	2,403,659	(761,450)	146.37%
Professional development	98,941	133,885	(34,944)	135.32%
Occupancy	186,154	168,732	17,422	90.64%
Miscellaneous expenses	356,194	370,647	(14,453)	104.06%
Depreciation	14,423	70,155	(55,732)	486.41%
Total operating expenses	$ 39,002,303	$ 39,158,428	$ (156,125)	100.40%
Change in net position	77,271	1,042,465	$ (965,194)	
Beginning net position	106,285	1,365,519		
Ending net position (unaudited)	$ 183,556	$ 2,407,984		

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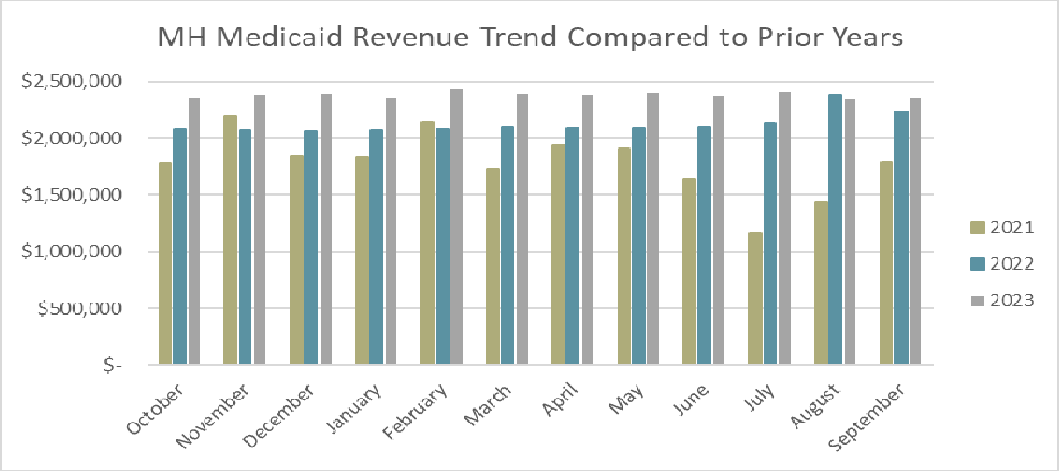
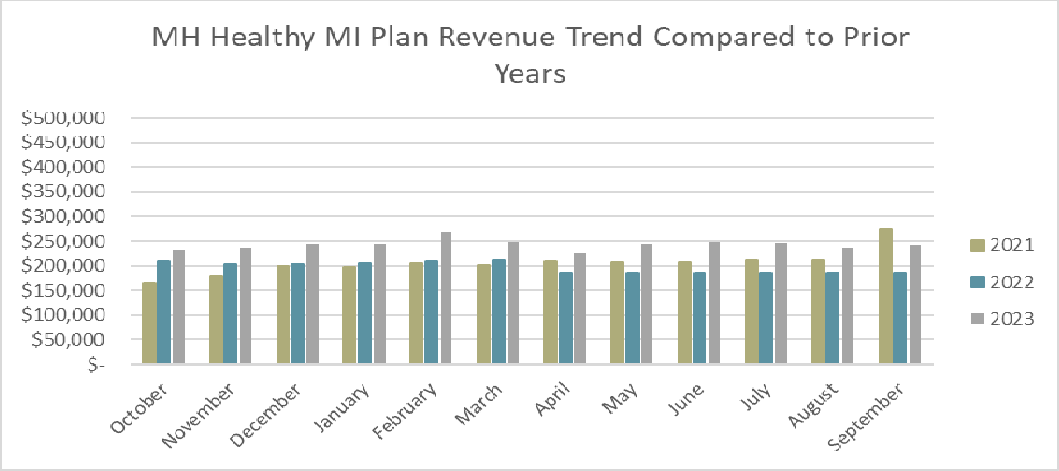
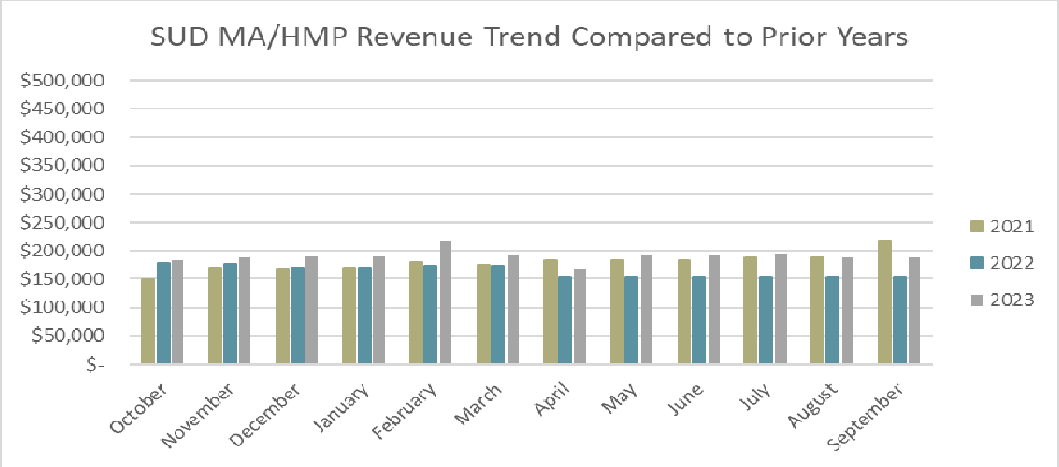
Key Indicators

September 30, 2023







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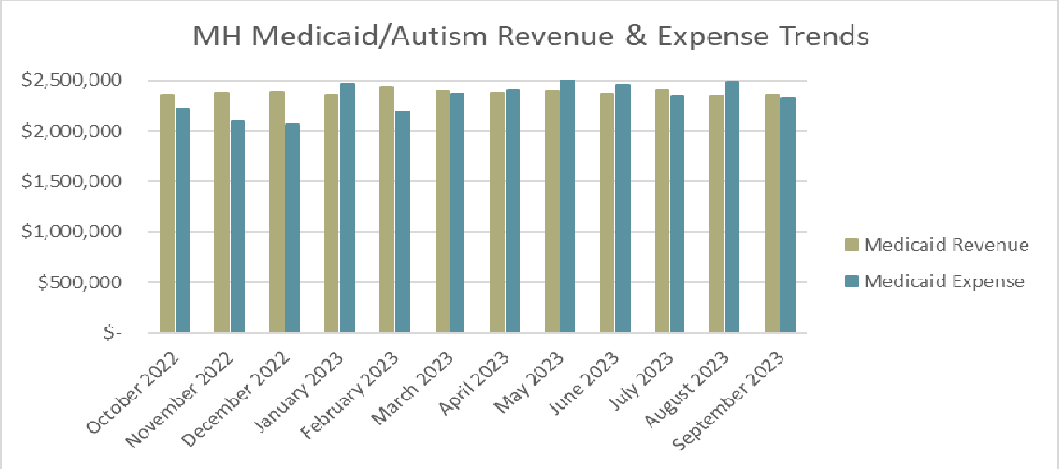
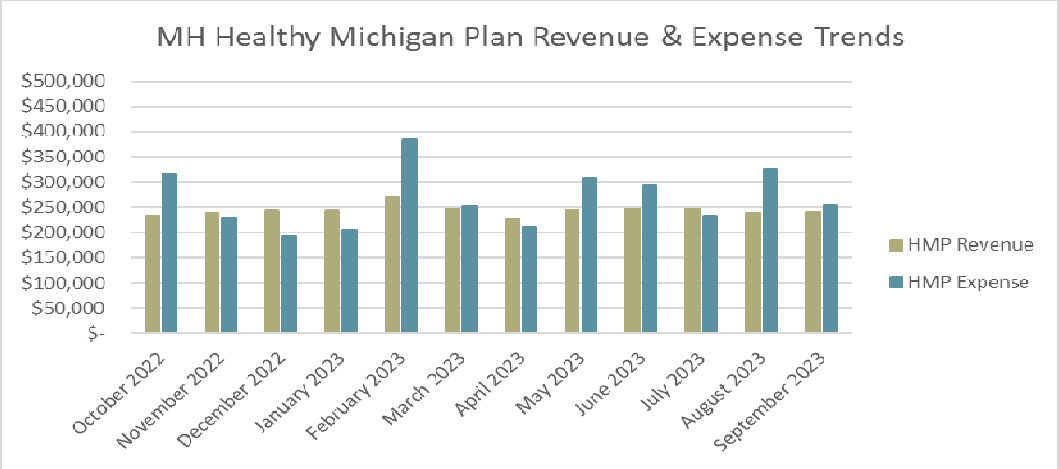
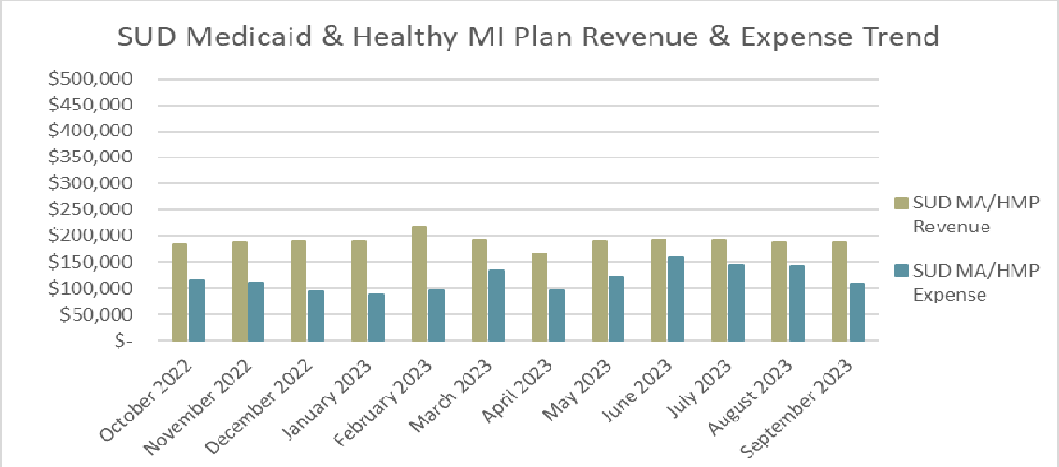
Key Indicators

September 30, 2023







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ONPOINT

Key Indicators

September 30, 2023

The following tables summarize the agency's directly provided services by month, based on submitted encounters. Due to the amount of time it takes for documentation to be completed, first and third party billing processed, and then the encounter submitted, data for the most recent month(s) are likely not complete yet.

	October 2022			
Internal Program Name	**Total Cost of Services**	**Number of Clients Served**	**Total Minutes of Service**	**Average Cost per Client**
Career Concepts	$ 3,824	10	330	$ 382
Case Management	$ 210,433	415	18,694	$ 507
Outpatient Therapy	$ 216,085	238	18,872	$ 908
Occupational Therapy	$ 5,578	11	787	$ 507
ACT Program	$ 34,260	32	3,552	$ 1,071
Home Based Services	$ 78,289	54	8,884	$ 1,450
Med Clinic Services	$ 103,424	207	9,136	$ 500
CCBHC Program	$ 95,123	159	14,631	$ 598
SUD Services	$ 38,308	24	5,013	$ 1,596
Grand Total	$ 785,324	893	79,899	$ 879

	November 2022			
Internal Program Name	**Total Cost of Services**	**Number of Clients Served**	**Total Minutes of Service**	**Average Cost per Client**
Career Concepts	$ 12,735	12	1,099	$ 1,061
Case Management	$ 208,640	450	19,266	$ 464
Outpatient Therapy	$ 201,947	249	20,534	$ 811
Occupational Therapy	$ 5,399	10	685	$ 540
ACT Program	$ 40,607	32	4,417	$ 1,269
Home Based Services	$ 82,827	52	9,339	$ 1,593
Med Clinic Services	$ 92,296	185	8,277	$ 499
CCBHC Program	$ 96,581	162	14,856	$ 596
SUD Services	$ 53,193	28	6,307	$ 1,900
Grand Total	$ 794,225	913	84,780	$ 870

	December 2022			
Internal Program Name	**Total Cost of Services**	**Number of Clients Served**	**Total Minutes of Service**	**Average Cost per Client**
Career Concepts	$ 4,902	10	423	$ 490
Case Management	$ 208,579	402	19,071	$ 519
Outpatient Therapy	$ 156,354	230	17,142	$ 680
Occupational Therapy	$ 11,091	19	1,240	$ 584
ACT Program	$ 42,342	30	4,512	$ 1,411
Home Based Services	$ 54,596	47	6,073	$ 1,162
Med Clinic Services	$ 67,068	141	5,731	$ 476
CCBHC Program	$ 81,017	164	12,266	$ 494
Grand Total	$ 664,843	877	71,143	$ 758

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ONPOINT

Key Indicators

September 30, 2023

Internal Program Name	January 2023 Total Cost of Services	Number of Clients Served	Total Minutes of Service	Average Cost per Client
Career Concepts	$ 7,127	5	615	$ 1,425
Case Management	$ 292,024	524	27,037	$ 557
Outpatient Therapy	$ 272,852	276	20,924	$ 989
Occupational Therapy	$ 21,798	26	2,444	$ 838
ACT Program	$ 55,071	33	5,802	$ 1,669
Home Based Services	$ 78,285	47	8,758	$ 1,666
Med Clinic Services	$ 109,503	235	9,359	$ 466
CCBHC Program	$ 89,138	174	13,339	$ 512
SUD Services	$ 37,887	41	4,629	$ 924
Grand Total	$ 963,685	1,038	92,907	$ 928

Internal Program Name	February 2023 Total Cost of Services	Number of Clients Served	Total Minutes of Service	Average Cost per Client
Career Concepts	$ 4,844	6	418	$ 807
Case Management	$ 244,122	464	22,206	$ 526
Outpatient Therapy	$ 289,441	248	17,692	$ 1,167
Occupational Therapy	$ 20,013	24	2,312	$ 834
ACT Program	$ 41,690	33	4,372	$ 1,263
Home Based Services	$ 76,845	47	8,588	$ 1,635
Med Clinic Services	$ 90,945	200	8,011	$ 455
CCBHC Program	$ 84,494	186	12,826	$ 454
SUD Services	$ 36,862	53	4,671	$ 696
Grand Total	$ 889,256	993	81,096	$ 896

Internal Program Name	March 2023 Total Cost of Services	Number of Clients Served	Total Minutes of Service	Average Cost per Client
Career Concepts	$ 14,775	10	1,275	$ 1,478
Case Management	$ 300,042	516	27,440	$ 581
Outpatient Therapy	$ 229,097	294	23,478	$ 779
Occupational Therapy	$ 24,427	29	2,831	$ 842
ACT Program	$ 58,677	34	6,549	$ 1,726
Home Based Services	$ 88,188	53	10,063	$ 1,664
Med Clinic Services	$ 88,359	199	7,712	$ 444
CCBHC Program	$ 111,728	214	16,767	$ 522
SUD Services	$ 46,622	49	5,386	$ 951
Grand Total	$ 961,915	1,120	101,501	$ 859

This financial report is for internal use only. It has not been audited, and no assurance is provided.

ONPOINT

Key Indicators

September 30, 2023

Internal Program Name	April 2023 Total Cost of Services	Number of Clients Served	Total Minutes of Service	Average Cost per Client
Career Concepts	$ 9,213	9	795	$ 1,024
Case Management	$ 270,517	503	25,845	$ 538
Outpatient Therapy	$ 235,197	275	20,217	$ 855
Occupational Therapy	$ 25,797	32	2,961	$ 806
ACT Program	$ 54,385	33	5,932	$ 1,648
Home Based Services	$ 87,867	55	9,975	$ 1,598
Med Clinic Services	$ 89,514	201	7,163	$ 445
CCBHC Program	$ 93,605	202	14,026	$ 463
SUD Services	$ 42,810	45	5,145	$ 951
Grand Total	$ 908,905	1,066	92,059	$ 853

Internal Program Name	May 2023 Total Cost of Services	Number of Clients Served	Total Minutes of Service	Average Cost per Client
Career Concepts	$ 5,215	2	450	$ 2,608
Case Management	$ 324,861	526	30,557	$ 618
Outpatient Therapy	$ 309,782	293	21,545	$ 1,057
Occupational Therapy	$ 31,896	33	3,733	$ 967
ACT Program	$ 72,473	35	7,992	$ 2,071
Home Based Services	$ 99,785	56	11,241	$ 1,782
Med Clinic Services	$ 87,332	199	6,893	$ 439
CCBHC Program	$ 110,365	244	16,630	$ 452
SUD Services	$ 51,959	52	5,641	$ 999
Grand Total	$ 1,093,668	1,148	104,682	$ 953

Internal Program Name	June 2023 Total Cost of Services	Number of Clients Served	Total Minutes of Service	Average Cost per Client
Career Concepts	$ 10,603	9	915	$ 1,178
Case Management	$ 298,915	520	28,021	$ 575
Outpatient Therapy	$ 213,890	269	18,302	$ 795
Occupational Therapy	$ 37,616	33	4,263	$ 1,140
ACT Program	$ 67,705	34	7,454	$ 1,991
Home Based Services	$ 95,029	55	10,817	$ 1,728
Med Clinic Services	$ 114,383	216	8,875	$ 530
CCBHC Program	$ 97,016	220	14,020	$ 441
SUD Services	$ 80,865	57	9,330	$ 1,419
Grand Total	$ 1,016,022	1,135	101,997	$ 895

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ONPOINT

Key Indicators

September 30, 2023

Internal Program Name	July 2023 Total Cost of Services	Number of Clients Served	Total Minutes of Service	Average Cost per Client
Career Concepts	$ 16,861	14	1,455	$ 1,204
Case Management	$ 250,861	462	24,366	$ 543
Outpatient Therapy	$ 168,829	239	15,860	$ 706
Occupational Therapy	$ 33,929	35	3,983	$ 969
ACT Program	$ 54,706	32	5,814	$ 1,710
Home Based Services	$ 83,116	53	9,773	$ 1,568
Med Clinic Services	$ 90,085	185	7,703	$ 487
CCBHC Program	$ 73,481	175	10,440	$ 420
SUD Services	$ 88,405	55	10,342	$ 1,607
Grand Total	$ 860,273	998	89,736	$ 862

Internal Program Name	August 2023 Total Cost of Services	Number of Clients Served	Total Minutes of Service	Average Cost per Client
Career Concepts	$ 20,511	13	1,770	$ 1,578
Case Management	$ 318,582	520	30,494	$ 613
Outpatient Therapy	$ 270,022	280	21,594	$ 964
Occupational Therapy	$ 32,436	35	3,896	$ 927
ACT Program	$ 49,868	35	6,157	$ 1,425
Home Based Services	$ 79,615	51	9,920	$ 1,561
Med Clinic Services	$ 90,857	198	7,073	$ 459
CCBHC Program	$ 64,588	150	9,265	$ 431
SUD Services	$ 97,834	69	12,220	$ 1,418
Grand Total	$ 1,024,313	1,039	102,389	$ 986

Internal Program Name	September 2023 Total Cost of Services	Number of Clients Served	Total Minutes of Service	Average Cost per Client
Career Concepts	$ 10,429	8	900	$ 1,304
Case Management	$ 269,522	479	25,709	$ 563
Outpatient Therapy	$ 210,030	240	15,161	$ 875
Occupational Therapy	$ 43,726	37	5,020	$ 1,182
ACT Program	$ 52,323	31	5,898	$ 1,688
Home Based Services	$ 62,826	49	7,508	$ 1,282
Med Clinic Services	$ 44,119	112	3,458	$ 394
CCBHC Program	$ 25,344	77	3,614	$ 329
SUD Services	$ 46,724	53	5,894	$ 882
Grand Total	$ 765,043	891	73,162	$ 859

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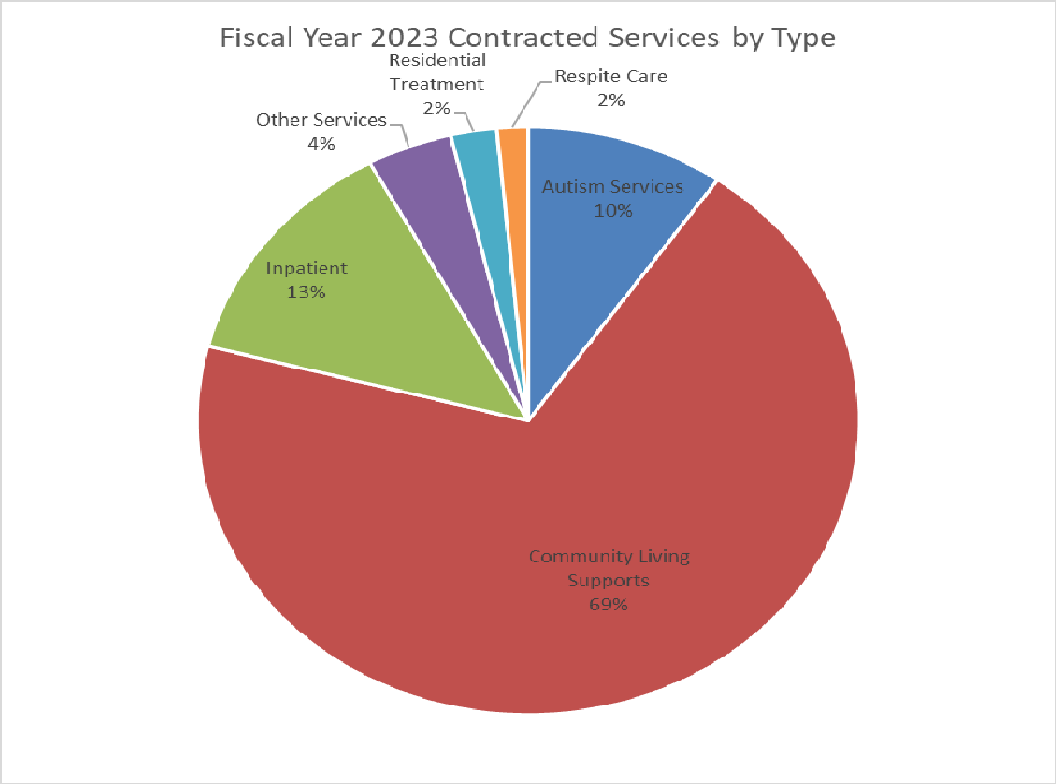
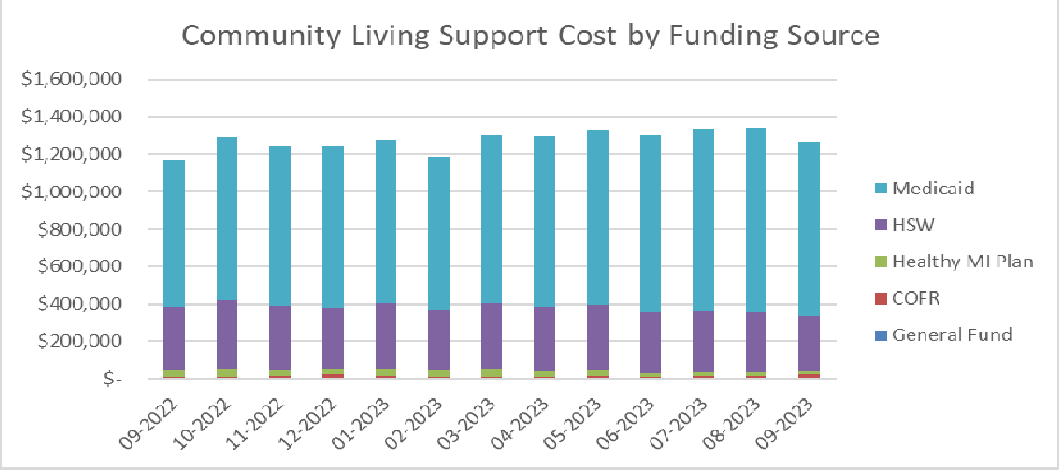
ONPOINT

Key Indicators

September 30, 2023

The following charts summarize the agency's provider network services. Providers have 60 days from the date of service to submit a claim, and then the agency has an additional 30 days to pay the claim and report the encounter. As such, the data for the most recent month(s) will be incomplete.

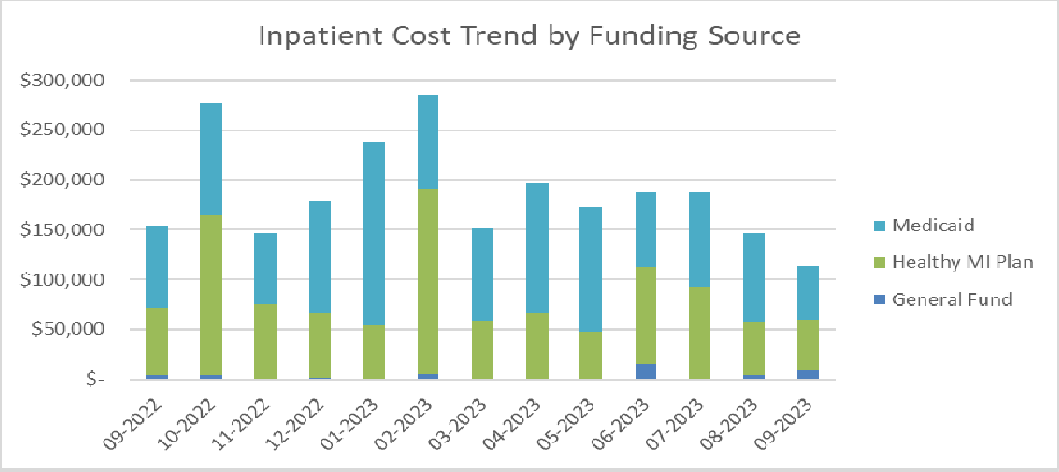


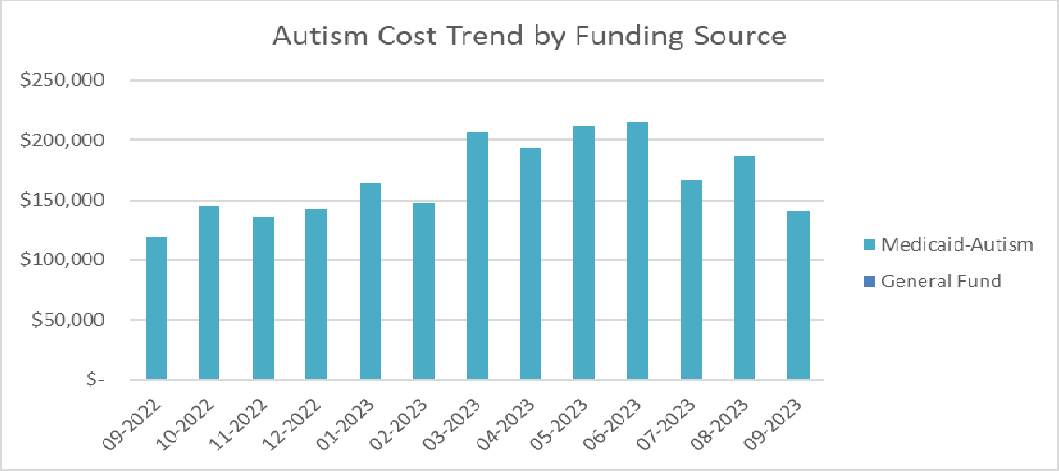


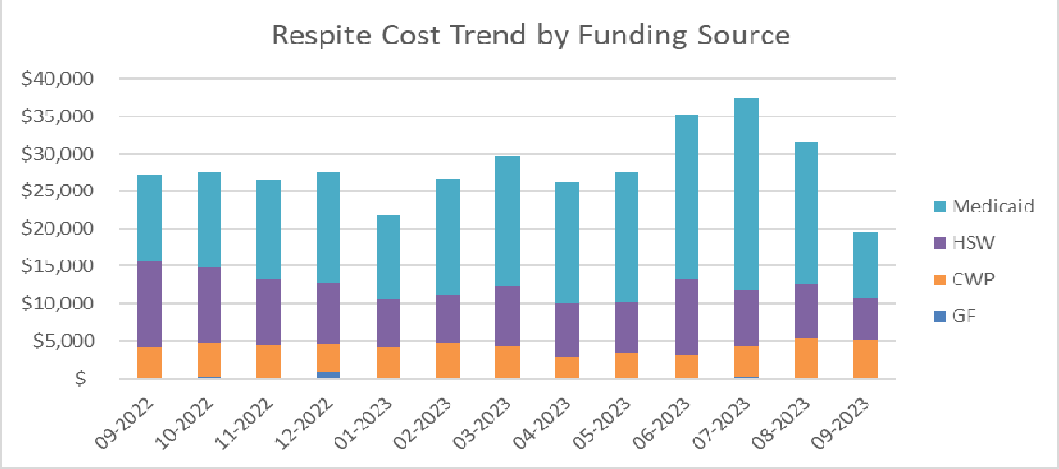
ONPOINT

Key Indicators

September 30, 2023







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AGENDA

OnPoint Board of Directors – Program Committee
Tuesday, November 21, 2023 @ 4:00 pm
Board Room, 540 Jenner Drive, Allegan MI 49010

Also available virtually at the link or phone number below
Microsoft Teams meeting
Join on your computer or mobile app
Click here to join the meeting

Or call in (audio only)
+1 616-327-2708,,896969400# United States, Grand Rapids
Phone Conference ID: 896 969 400#

1) Call to Order – Alice Kelsey, Chairperson
2) Public Comment (agenda items only; 5" limit per speaker)
3) Approval of Agenda
4) Approval of Minutes
5) Program Presentation: Autism Program and Children's Supports Coordination Services
   Megan Ford
6) Review of Written Reports
   a) COO Report – Leanne Kellogg
   b) Program Operations – Susan Conrad
   c) Evidence Based Practices – Geniene Gersh
   d) Quality, Innovation and Compliance – Mandy Padget
   e) Customer Services – Cathy Potter (Feb/May/Aug/Nov)
7) Program Committee Member Comments
8) Public Comment (any topic; 5" limit per speaker)
9) Adjournment – Next Meeting December 19, 2023 at 4:00 pm, 540 Jenner Drive, Allegan, MI

Program Committee: Alice Kelsey, Chairperson; (Vacant), Vice-Chairperson;
Kim Bartnick; Robin Klay; Jessica Castañeda

OnPoint Board of Directors
DRAFT Program Committee Minutes
October 17, 2023

Board Members Present: Alice Kelsey, Chairperson; Karen Stratton; Kim Bartnick; Dr. Robin Klay; Pam Brenner; Jane Ferrel; Jessica Castañeda
Board Members Absent: None
OnPoint Staff Present: Joshua Behymer; John Eagle; Leanne Kellogg; Susan Conrad; Geniene Gersh; Mandy Padget

1) **Call to Order** – Ms. Kelsey called the meeting to order at 4:16 pm.
2) **Public Comment** – No members of the public in attendance.
3) **Approval of Agenda** – Approved by common consent.
4) **Approval of Minutes** – Approval of Minutes: Kim Bartnick moved to approve the minutes from the meeting on September 19, 2023. Pam Brenner supported the motion. Motion carried by unanimous consent.
5) **Program Presentation** – Supported Employment Services and Transition Services, Joshua Behymer presented via a PowerPoint handout and verbal report for the committee members. Joshua provided the committee with an overview of services, some challenges and goals for FY 2024.
6) **Program Committee Reports** – Mandy Padget, Director of Quality Innovation and Compliance (QI&C) reported on the Quality Improvement Plan for Fiscal Year 2024. Mandy also indicated OnPoint recently hired a new Health Info Manager. Leanne Kellog, Chief Operating Officer provided and reviewed her written report. Susan Conrad reported out on manager and supervisor changes within OnPoint and provided the committee with a graph showing the changes and breakdown in the various program managers.
7) **Public Comment** – No member of the public present.
8) **Program Committee Member Comments** – No comments from the committee members.
9) **Adjournment** – Motion by Kim Bartnick, supported by Pam Brenner to adjourn the meeting. Motion carried by unanimous consent. Meeting adjourned at 5:26pm.

Submitted by,

Jessica Castañeda

November 2023

OnPoint Chief Operating Officer Board Report

Submitted by: Leanne Kellogg, Chief Operating Officer, MS, BSN, RN,
269-673-6617 ext. 4868 email: lkellogg@onpointallegan.org

As we launch into CCBHC Demonstration and our IA grant, we are mapping out adjusted workflows and preparing to provide education, instruction and training to all programmatic staff. The clinical quality measures must specifically be reported to the State and tracked for internal controls. We are working with our EMR vendor to ensure we have the capacity and structures to continually report out our activities. The clinical quality measures will be changing again for our IA grant as federal changes are coming for 2024. We are attending all associated webinars and training and planning for change amongst change; over and over again. Our change management strategies and internal communication will be a priority ongoing to partner with staff in the variety of necessary adjustments.

Quality Innovation, Utilization Management, Provider Network, Health Information Management, and Compliance Board Report

Submitted by Mandy Padget, MSW, CHC, Director of Quality Innovation and Compliance
mpadget@onpointallegan.org (269) 673-6617 ext. 2718

Quality Innovation Activities

Team QI has been diligently working on monitoring the management and implementation of organizational corrective action plans associated with this year's LRE site review.

Team QI has been working closely with the Director of Program Operations, the Director of Evidenced Based Practices and IBH Analytics to review and revise existing workflows to assure organizational compliance with the CCBHC clinical quality measures. The team is focused on merging data and innovation to improve both client experience and outcomes.

It is NCI survey time again! National Core Indicators (NCI) is a voluntary collaboration of the National Association of State Directors of Developmental Disabilities Services (NASDDDS) and the Human Services Research Institute (HSRI) to measure and track state's performance through multiple surveys with persons with disabilities, family members and direct support professionals. The National Core Indicators are standard measures used to assess the outcome of services provided to individuals and families. The key indicators address employment, rights, service planning, community inclusion, choice, and health and safety. Michigan has participated in the NCI project since 2011 and is one of 46 states including Washington, DC that do so. NCI provides a standardized way to measure and track indicators for persons with intellectual and developmental disabilities who are served through the public mental health system. The

purpose of the program is to gather a standard set of performance and outcome measures that can be used to track the states' performance over time, to compare results across states, and to establish national benchmarks for services (Wayne State University, 2023).

Corporate Compliance Activities
OnPoint has one active investigation at this time.

Utilization Management Activities
In October, Michell Truax, OnPoint Utilization Manager revised the OnPoint Utilization Management Plan. The plan is comprehensive, focused on the requirements set out by Medicaid and other funding/regulatory sources and seeks to assure all clients served receive person centered services that are provided in the least restrictive environment. Michell will present that plan to the program committee within the next quarter.

Nikki Howard and Lynzee Shephard joined the Utilization Management Team in October of 2023, and we couldn't be more excited! Both Lynzee and Nikki will be serving in the capacity of Care Management Specialists and will bring significant clinical experience to the Utilization Management Team. Welcome Nikki and Lynzee!

Health Information Management
Tom Lohrmann, OnPoint Health Information Manager, has been hard at work creating reporting and updating various aspects of OnPoint's electronic medical record as the organization continues to hone workflows and processes to align with the expectations of the CCBHC Demonstration and CCBHC IA grant.

Tom has also created a procedure to implement multifactor authentication ("MFA") in OnPoint's EMR. MFA will go live for all OnPoint EMR users November 14, 2023.

Provider Network
The Provider Network team held a quarterly meeting with OnPoint's network of contracted providers on October 10, 2023. The meeting was well attended and included representatives from the Lakeshore Regional Entity who provided a number of updates and training on HCBS implementation for providers.

Customer Services Quarterly Status Report
November 2023
(Report covers time period: September, October, November 2023)

Submitted by Cathy Potter 269-686-5124 or 877-608-3568
Email: customerservices@onpointallegan.org

During this quarter Customer Service met with 5 new hires. All orientations were either held in person or scheduled to be held in person. Customer service-related items were discussed:

- Four in September (Adult Behavioral Services Supervisor, two Adult Case Managers, Peer Recovery Coach)
- None in October
- Four in November (Executive Assistant, Prevention Specialist, Accounting Supervisor, Administrative Professional)

LRE Customer Service ROAT

CMHSP's Customer Services and LRE staff continue to meet monthly to discuss customer service-related items. These meetings generally last two hours each month due to the number of agenda items to discuss. 3rd quarter grievance data was reviewed by the LRE and shared their findings. LRE Customer Satisfaction Survey changes were discussed amongst the group. Notice of Adverse Benefit Determinations, also known as NABD's, have been a high-lighted topic discussed amongst the group. NABD trainings are being provided throughout the region to educate staff on how to complete NABD's correctly. More improvements are needed in this area and OnPoint Customer Service continues to communicate updates to leadership as appropriate.

CAP (Community Advisory Panel)

There was one CAP meeting held this quarter in September. All three COAP members attended their first CAP meeting. We gathered in the OnPoint training room to join the two hour long meeting virtually. The group received regional updates from the LRE such as the agency newsletter, updated website, CAP membership, LRE staff update, strategic planning, and legislative bills. Each member seemed excited about this opportunity.

COAP (Community Opportunity Advisory Panel)

The September COAP meeting was canceled due to having the CAP meeting held in the same month. The next scheduled meeting is November 17, 2023. The group will be reviewing the meeting schedule for 2024, ways to recruit new members, discuss future agenda topics and new ideas, and celebrate being a part of the COAP group for another year.

Community Outreach

During this quarter, Customer Service attended and participated in the following events: Wayland Balloon fest, Seniors Day at the Allegan County Fair, Trunk or Treat event, and Veteran's Stand down. There were many in attendance at each event and many conversations about how people appreciate the work that OnPoint provides! Included are some pictures to view and enjoy!

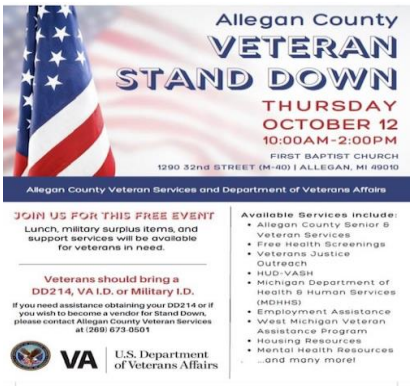

OnPoint
Caring for Allegan County


Window World of West Michigan
Wayland Balloonfest 2023 Presented By
WAYLAND BALLOON FEST
JARS CANNABIS


WAYLAND • MICHIGAN
UPLIFTING OTHERS WITH A LITTLE HOT AIR


988
SUICIDE & CRISIS LIFELINE
You are not alone.
Signs sponsored by 4 One 2 Cares


OnPoint
Caring for Allegan County


Allegan County
VETERAN STAND DOWN
THURSDAY
OCTOBER 12
10:00AM-2:00PM
FIRST BAPTIST CHURCH
1290 32nd STREET (M-40) | ALLEGAN, MI 49010
Allegan County Veteran Services and Department of Veterans Affairs
JOIN US FOR THIS FREE EVENT
Lunch, military surplus items, and support services will be available for veterans in need.
Veterans should bring a DD214, VA I.D. or Military I.D.
If you need assistance obtaining your DD214 or if you wish to become a vendor for Stand Down, please contact Allegan County Veteran Services at (269) 673-0501
VA U.S. Department of Veterans Affairs
Available Services include:
• Allegan County Senior & Veteran Services
• Free Health Screenings
• Veterans Justice Outreach
• HUD-VASH
• Michigan Department of Health & Human Services (MDHHS)
• Employment Assistance
• West Michigan Veteran Assistance Program
• Housing Resources
• Mental Health Resources
...and many more!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INSIDE OUT


EVERY DAY IS FULL OF Emotions


ONE OF THOSE DAYS

ONPOINT BOARD OF DIRECTORS MINUTES – DRAFT
Tuesday, October 17, 2023 at 5:30 pm
Board Room, 540 Jenner Drive, Allegan, MI 49010

Present: Pam Brenner, Glen Brookhouse, Kim Bartnick, Jessica Castañeda, Commissioner Mark DeYoung, Commissioner Gale Dugan, Jane Ferrel, Beth Johnston, Alice Kelsey, Dr. Robin Klay, Karen Stratton, Pastor Craig VanBeek

Absent: None

1. **Call to Order**

   Commissioner Dugan called the meeting to order at 5:34 pm. Roll call was taken. All members present; a quorum was established.

2. **Pledge of Allegiance** – All present stood to recite the Pledge of Allegiance.

3. **Provision for Public Comment** – No comments received.

4. **Approval of Agenda**

   Motion: To approve the agenda as presented.

   Moved: Ms. Bartnick Supported: Dr. Klay

   Motion carried by unanimous roll call vote.

5. **Consent Agenda** – *All items listed are routine and to be enacted by one motion.*

   i. Board Meeting Minutes (8/15/2023)
   ii. Finance Committee Minutes (8/15/2023)
   iii. Program Committee Minutes (8/15/2023)
   iv. Executive Committee Minutes (8/11/2023)

   Motion: To approve the minutes on the consent agenda as presented.

   Moved: Ms. Johnston Supported: Ms. Bartnick

   Motion carried by unanimous roll call vote.

6. **Program Committee** – Vice-Chairperson Alice Kelsey

   Vice-Chairperson Kelsey briefly reviewed the activities of the Program Committee including a presentation by Josh Behymer about Employment Support services, a presentation of the FY2024 Quality Improvement Plan with CCBHC additions, and a review of the leadership reorganization that has recently been implemented.

   Motion: To approve the FY2024 Quality Improvement Plan as recommended by the Program Committee.

   Moved: Ms. Kelsey Supported: Dr. Klay

   Motion carried by unanimous roll call vote.

7. **Finance Committee Report** – Beth Johnston, Treasurer

   Motion: To approve the September 2023 disbursements totaling $4,864,848.17 as recommended by the Finance Committee.

   Moved: Ms. Johnston Supported: Ms. Bartnick

   Motion carried by unanimous roll call vote.

8. Recipient Rights Advisory Committee (RRAC)

RRAC Chairperson Mr. Brookhouse noted that the committee did not meet today; next meeting in November.

9. Chairperson's/Executive Committee Report – Commissioner Gale Dugan

Commissioner Dugan reported on the proceedings of last week's Executive Committee meeting, noting a consensus to appoint Ms. Jane Ferrel to the Program Committee.

Motion: The OnPoint board confirms the appointment of board member Jane Ferrel as a member of the Program Committee.

Motion: Commissioner Dugan Supported: Ms. Kelsey

Motion carried unanimously by voice vote.

Commissioner Dugan congratulated Ms. Ferrel on her appointment. He noted the full board membership on the LRE as well as for OnPoint. Other items of interest were the CMHA fall conference (soliciting input for the Chairperson's meeting) and an analysis of the state's participation in the shared risk arrangement for the public mental health system.

10. LRE Updates

Stephanie VanderKooi, Chief Operating Officer of the LRE, gave an in-person update on LRE matters. She reported on the issuing of 60 contracts by the LRE, the change in Veteran Navigator due to promotion of the LRE's navigator to the state, a review of actuarial recommendations for the level of Internal Service Fund funding at the next LRE board meeting, deduplication of agenda for the LRE's various advisory committees (called "ROATs – Regional Operating Advisory Teams).

11. OnPoint Executive Director's Report – Mark Witte

Mr. Witte reviewed his report, noting the presence of plaques posting OnPoint's mission, vision and values. He offered comments on Medicaid enrollment trends, Michigan's geographic distribution of CCBHC sites, and extended an offer of a building tour to Ms. Ferrel and anyone else interested. He also reminded the board that even amid positive change, transition is challenging for staff because routines and relationships are also often changed. Our interests are to support our clients, and we do that through leadership that supports staff through change processes. Dr. Klay observed that the legacy of staff in our situation are the lives we touch on behalf of the community.

12. Provision for Public Comment – No one sought recognition in person or online.

13. Board Member Comments

Commissioner DeYoung noted his appreciation for a full board. Commissioner Dugan echoed that sentiment and thanked staff and board members. Various board members expressed thanks to Chairperson Dugan for his leadership.

14. Motion to Adjourn:

Moved: Ms. Johnston Supported: Ms. Bartnick

Motion approved by common consent. Meeting adjourned at 6:15 pm.

Respectfully submitted,

Mark Witte
Executive Director

Gale Dugan
Board Chairperson

OnPoint

Executive Committee Meeting DRAFT Minutes

October 13, 2023

Board Members	[X] Commissioner Gale Dugan, OnPoint Board Chairperson
	[X] Alice Kelsey, OnPoint Board Vice-Chairperson
	[X] Elizabeth Johnston, OnPoint Board Treasurer
	[X] Commissioner Mark DeYoung, OnPoint Board Secretary
OnPoint Staff	[X] Mark Witte, OnPoint Executive Director

1. **Call to Order** – Chairperson Dugan called the meeting to order at 2:39 pm.
2. **Members Present/Excused** – All members were present.
3. **Review/Approval of Agenda** – Commissioner DeYoung moved, and Ms. Kelsey supported, that the agenda be approved as presented. All voted yes.
4. **Review/Approval of Minutes of Prior Meeting** – Commissioner DeYoung moved, and Ms. Kelsey supported, that the minutes of September 15, 2023 be approved as presented. All voted yes.
5. **Compliance Update** – No report today. Ms. Padget will attend the November meeting.
6. **Updates on Prior Meeting Topics**
    a. Board Appointments (OnPoint and LRE)
        i. Chairperson Dugan reported that all board seats have been filled as of 9/19/2023 for OnPoint and LRE.
        ii. Mr. Witte reported that Jane Ferrel's orientation was completed on 10/9/2023. She indicated an interest in being appointed to the Program Committee. Mr. Witte to produce an updated board/committee roster.
        iii. OnPoint's LRE board member delegation will meet on 10/19/2023. Chairperson Dugan expressed his interest in joining and will do so if he can.
    b. Board Email Addresses & Boardworks Training
        i. These tasks have been pended until an Executive Assistant is hired.
        ii. The group reviewed OnPoint's section of CMHA's Boardworks report of course completions. Recent completions by OnPoint which have not yet been submitted are not shown. Motion made by Ms. Kelsey, supported by Ms. Johnston, to accept the as presented.
7. **Executive Director Items**
    a. Mr. Witte presented the list of Key Board Tasks by Month for review, noting that the Quality Improvement Plan included in the board packet is scheduled for approval this month.
    b. The committee reviewed the Board Meeting packet.
    c. Mr. Witte shared the 6/5/2023 minutes and the 10/22/2023 agenda for the CMHA board chairpersons meeting. Chairperson Dugan plans to attend and solicited input. As a policy matter for discussion, Mr. Witte shared the CMHA's "Analysis of State's Participation in Medicaid Shared Risk Arrangements" which details the state's savings from avoiding full risk payments to PIHPs for the past 23 years.
8. **Discussion Items Requested by Members**
    a. None
9. **Next Meeting Date/Time**
    a. Friday, November 17, 2023, at 2:30 pm
10. **Adjournment**
    a. Ms. Kelsey moved, and Ms. Johnston supported, that the meeting be adjourned. All voted yes. The meeting was adjourned at 3:30 pm.

Submitted by Mark Witte

OnPoint Board of Directors
Executive Director Report
November 2023

1. Agency

I am happy to report that we have hired a new Executive Assistant. Her name is Meagan Currie and she began on November 13. We plan to introduce her to the Executive Committee this week and at the board meeting next week.

2. Board

As this is November, I am once again reminded of the benefit our board members provide to the community and to the agency through your service. We are deeply appreciative of contribution of time and thought, and in this time of remembrance and gratitude, we wish to say thank you for all you do for this community and for OnPoint.

3. Community

Our work with the Community Health Improvement Plan is undergoing a bit of a reformulation as the Allegan County Community Foundation deals with the departure of some key staff that were assigned to the work. Our focus on behavioral health and housing in this plan will resume shortly once the new structure to support the work is identified and settles into place.

4. Region

The next board meeting of the LRE will happen 11/15/23.

5. State

Standard Cost Allocation – The state has long been in pursuit of a suitable method of accurately understanding the true/full cost of the publicly managed behavioral health system. Efforts to increase reporting have been met with growing awareness of the differences in how things are counted, which led to efforts to allocate costs in a standardized way across the system. This is where the term “Standard Cost Allocation” (or SCA) originates. Part of the challenge in SCA is where necessary activities risk being “disallowed” when they are, in fact, necessary. What has become evident is that there are fundamental differences between the state and the CMH/PIHP system in important areas of managed care administration. I’ve attached an important position paper from CMHA on this issue and urge you, especially if you serve on the Finance Committee or on the LRE board, to become at least familiar with the policy principles at stake in the discussion.

PIHP Delegation – We have received an email from MDHHS regarding the topic of “delegated functions”. These are the managed care functions that a PIHP performs which are, in some cases, delegated to member CMH’s to perform on behalf of the PIHP. The concern comes from the state’s recently issued delegation report which contradicts how Michigan’s CMHs maintain local control of what providers need in our respective communities. The position of CMHA is that those functions cannot be withheld from a CMH that already holds those responsibilities by law. Like the Standard Cost Allocation discussion, the MDHHS delegation report arises from the model used by private health insurance companies where providers are paid on a fee for service basis and where providers lost or never had those delegated functions. CMHA is urging its members to hold firm to ensure that the managed care responsibilities and functions (which have been held by the state’s CMH system for decades) should remain with Michigan’s CMHs as a core of the CMHs operations.

State Legislative Update – CMHA’s Alan Bolter recently reported: The legislature wrapped up their legislative activity on November 9, but will not end its official work until

November 14. This year is the first time the House and Senate has adjourned before Thanksgiving since 1968. Both chambers passed resolutions today setting November 14 as its "sine die" session, in which the Legislature adjourns without date, meaning that, barring an unexpected special session called by the Governor, lawmakers won't return until January 10.

The early adjournment stems from a constitutional requirement that a bill cannot become law until 90 days after the session adjourns unless it receives support from two-thirds of the members of each chamber to give it "immediate effect." Items not receiving immediate effect include legislation to move up Michigan's presidential primary to February 27, various tax changes that include eliminating the state's retirement tax and changes to EITC (there is a desire to have them go into effect before tax season), gun reform legislation and Proposal 2 implementation reform bills, which will need to go into effect by February 27, 2024.

On a very important side note, two representatives won their respective elections for mayor on November 7. They will submit their resignations to the Speaker of the House and be sworn in to their new offices early this week. Once the vacancies are official, Governor Whitmer can call a special election for those two seats. At this time, we reasonably expect to see special general elections to be completed by early May. The vacancies left by Stone and Coleman leave the House with a 54-54 split between Democrats and Republicans. With two members missing the House need 55 votes to pass any piece of legislation, any bills considered before the House would require at least 1 Republican to vote in favor of the legislation should they convene and vote on bills. Committees will be able to operate as normal and the budget process will consume much of the early activity (which is done in the committee process), we expect very limited action on the House floor while there is a two-seat vacancy in the House.

Prior to adjourning the House and Senate did pass several Democrat priorities including The Reproductive Health Act, Clean Energy by 2040, Financial Disclosures and a Supplemental Appropriations bill. One bill with relevance to behavioral health did pass (SB 227), amending the childcare licensing act to allow for emergency physical management/therapeutic de-escalation (certain levels of restraint & seclusion) in certain children's residential settings (Children's Therapeutic Group Homes, PRTFs – Psychiatric Residential Treatment Facilities, and CCIs - Child Caring Institutions).

Telehealth bills was passed by the House on November 9, but the Senate will not be able to take action until the Legislature comes back in January. HB 4213 would require telemedicine coverage for SUD and behavioral health services, and HBs 4579, 4580 & 4131 would require equitable coverage and reimbursement for telehealth services compared to in-person. Blue Cross Blue Shield and the health plans have been opposed to the passage of this package as well, which has slowed down their passage.

There was no movement on parity bills. SB 27 passed the Senate on October 18, but the House Insurance Committee did not meet before adjournment. The bill simply codifies the federal parity protections, putting into Michigan state law. HB 4707, which would mandate behavioral health coverage for all insurers, is still waiting for a final passage vote on the House Floor, having been removed from the House agenda on October 25. Blue Cross Blue Shield and the health plans have been vigorously fighting the passage of HB 4707 describing it as a costly discriminatory mandate and thus far have prevented a vote of the full House. HB 4707 would expand on the federal parity law and offer additional key protections for people with employer/commercial based insurance. The bill would call for medical necessity to be based on science and ensure it is clinically appropriate in terms of type, frequency, extent, site, and duration. It would also make key changes to out-of-network services, requiring insurers to not change anymore for out-of-network services as in-network services if they don't offer reasonable options.

Sincerely,

Mark Witte
November 14, 2023

Community Mental Health Association of Michigan

Concerns and recommendations around MDHHS & Milliman Standard Cost Allocation initiative

January 2023

SUMMARY

Over the past two years, representatives from MDHHS, Milliman, and Michigan's Community Mental Health Services Programs (CMHSPs) and Prepaid Inpatient Health Plans (PIHPs) have been working to refine the cost allocation system used by the state's public mental health system.

While such an effort is **strongly supported** by all of the system's stakeholders – CMHSPs, PIHPs, providers, MDHHS, Milliman (with both CMH and MDHHS seeking to initiate this effort) - what has become clear is a lack of agreement on some of the core components of cost allocation – the roles played by the state's CMHSPs relative to provider and managed care functions, under federal regulations, state law, and the state's Medicaid waivers.

This document outlines those concerns, the harm that will be done if those concerns are not addressed, and recommendations aimed at addressing them.

SYSTEM'S SUPPORT FOR AND COMMITMENT TO STANDARD COST ALLOCATION

It is key to recognize that Michigan's CMHSPs, PIHPs, and providers in the CMHSP and PIHP networks strongly support the development of a standard set of cost allocation constructs and methods to be used throughout the state's public mental health system. In fact, it was the Community Mental Health Association of Michigan (CMHA) and its members who approached MDHHS to initiate the Standard Cost Allocation (SCA) effort.

FLAWS IN THE MILLIMAN/MDHHS STANDARD COST ALLOCATION APPROACH

While Michigan's public mental health system is strong supporter of a standard cost allocation approach, CMHA and its members are concerned with a number of the constructs and methods proposed by Milliman and mandated by MDHHS. The constructs of greatest concern center around a misunderstanding of the roles played by the state's CMHSPs relative to provider and managed care functions, under federal regulations, state law, and the state's Medicaid waivers and the misinterpretation of those federal regulations, state law, and the state's Medicaid waivers.

This misunderstanding and misinterpretation has led Milliman and MDHHS to propose and mandate cost allocation processes that mischaracterize the costs of the state's CMHSPs, as comprehensive network providers, as managed care administration rather than core network provider costs.

IMPACT OF THE FLAWS IN THE MILLIMAN/MDHHS STANDARD COST ALLOCATION APPROACH

This misunderstanding and misinterpretation are of concern because they lead to a cost allocation system that:

1. **Violates a decades-long set of constructs, contained in federal law and regulations, state law, the state's Medicaid waivers, and in contract**, defining the roles played by the state's CMHSPs and PIHPs relative to provider and managed care functions.

   This issue is discussed, in detail, later in this paper.

2. **Misstates both managed care administrative and service-related costs** – resulting in artificially reduced service costs and artificially inflated managed care administration costs (e.g., credentialing of providers and claims processing costs which have always been and continue to be a CMHSP functions as a core part of the CMHSP comprehensive network provider role, long before managed care, would be inaccurately considered managed care administration)

3. **Causes unnecessarily complex funding and bill back arrangements** to fund otherwise efficiently structured service-delivery related infrastructure - staff training, credentialing, and quality improvement, as examples.

4. **Does not comply with standard accounting practices nor other federal requirements and approaches to cost accounting** – requirements and approaches with which Michigan's public mental health system must comply.

STATUTE, REGULATION, CONTRACT, AND WAIVER CONSTRUCTS THAT ARE VIOLATED BY THE FLAWS IN THE MILLIMAN/MDHHS STANDARD COST ALLOCATION INITIATIVE

Below is a discussion of the core constructs and concepts key to understanding the roles of Michigan's CMHSPs and, as a result, the cost allocating principles that need to be applied to this system.

A. Accurate reading of federal regulations: The clear interpretation of the federal regulations guiding cost allocation is that CMHSPs within Regional Entity PIHPs serve in two distinct roles – primarily, as the chief network provider within the community served by the CMH (in the CSSN role described above), providing Medicaid services, and, at times, as a subcontractor of the PIHP, carrying out managed care functions.

To obtain legal guidance on this issue, CMHA obtained the legal opinion of Adam Falcone (with the firm of Feldesman Tucker Leifer Fidell), one of the nation's leading legal experts on Medicaid managed care for a legal opinion on this issue.

Below are the key excerpts from Mr. Falcone's opinion that provide the necessary clarity in separating the provider roles of CMHs from the managed care subcontractor roles (of which there are few if any) and the related cost allocation principles that apply. (Boldface added for emphasis.)

> Three aspects of the above regulatory definitions (42 CFR Part 438) bear on the issues presented. First, the definition of a network provider contains two requirements: (1) the provider or entity must have a network provider agreement with a MCO, PIHP or PAHP, or a subcontractor and (2) the entity must receive Medicaid funding to order, refer or render covered services. **Applied here, that means that a CMHSP should be considered to be a network provider if it holds a network provider agreement and receives funds to order, refer or render services. CMHSPs undisputedly meet both of those requirements.**
>
> **Second, nothing in the definition of network provider above requires a provider to furnish services directly to patients.** The Medicaid managed care regulations define a "provider" as "any individual or entity that is engaged in the delivery of services, or ordering or referring for those services, and is legally authorized to do so by the State in which it delivers the services." 42 C.F.R. § 438.2. Many providers engage in the delivery of services by purchasing services of other providers through professional services agreements. **Because CMHSPs are entities engaged in the delivery of services, and are legally authorized to do so by the State of Michigan, CMHSPs continue to meet the definition of a provider even when they purchase services from other direct care providers.**
>
> **Federal Medicaid managed care regulations state clearly that providers are not subcontractors by virtue of having a network provider agreement**.

B. CMHSP-MDHHS contract relative to cost accounting: The contract between MDHHS and the state's CMHSPs – the relevant section is provided below - provides clear guidance relative to the cost principles that are to be used by the state's CMHSPs - **2 CFR 200 Subpart E Cost Principles**. The cost allocation method proposed by MDHHS and Milliman violates this contract provision. **Additionally, the contract is clear that the Department and the CMHSP must agree to use cost principles that differ from 2 CFR 200.**

6.6 Financial Management System

6.6.1 General

The CMHSP shall maintain all pertinent financial and accounting records and evidence pertaining to this contract based on financial and statistical records that can be verified by qualified auditors. The CMHSP will comply with generally accepted accounting principles (GAAP) for governmental units when preparing financial statements. **The CMHSP will use the principles and standards of 2 CFR 200 Subpart E Cost Principles for determining all costs reported on the financial status report,** except for a) local funds, not obligated to meet local match requirements nor required as reserve against possible obligations or liabilities; b**) selected items of allowable cost – agreed upon by the CMHSP and MDHHS – where state law or county regulations differ from federal policy as outlined in 2 CFR 200 Subpart E Cost Principles and requires adherence to different principles or a different methodology for cost allocation, distribution or estimation**, c) earned revenue not encumbered to satisfy local match obligations, nor required as an adjustment or credit or distribution to offset or reduce expense items allocated to a federal award or to state general fund allocation; d) other grants or awards where the grantor requires principles and standards other than those described in2 CFR 200 Subpart E Cost Principles. Expenditures of General Fund Formula Funds reported on the financial status report must comply with Sections 240 241 and 242 of the Mental Health Code. Cost settlement of the General Fund Formula Funding to the CMHSP will be based upon costs reported on the financial status report. If a conflict exists between 2 CFR 200 Subpart E Cost Principles and Section 242 of the Mental Health Code regarding expenditures the more restrictive sections of Section 242 of Mental Health Code will prevail.

C. CMHSPs as comprehensive service providers as defined by statute (Michigan Mental Health Code):
Michigan's CMHSPs have been designed, with that design imbedded in state law, as comprehensive mental/behavioral health services providers. This role is underscored by the Michigan Mental Health Code requirement (Code language provided below) that outlines the comprehensive service array that CMHSPs must provide **whether provided directly or via contract with another provider**.

330.1206 Community mental health services program; purpose; services.

Sec. 206.

(1) The purpose of a community mental health services program **shall be to provide a comprehensive array of mental health services** appropriate to conditions of individuals who are located within its geographic service area, regardless of an individual's ability to pay. The array of mental health services shall include, at a minimum, all of the following:

(a) **Crisis stabilization and response including a 24-hour, 7-day per week, crisis emergency service** that is prepared to respond to persons experiencing acute emotional, behavioral, or social dysfunctions, and the provision of inpatient or other protective environment for treatment.

(b) **Identification, assessment, and diagnosis** to determine the specific needs of the recipient and to develop an individual plan of services.

(c) **Planning, linking, coordinating, follow-up, and monitoring** to assist the recipient in gaining access to services.

(d) **Specialized mental health recipient training, treatment, and support**, including therapeutic clinical interactions, socialization and adaptive skill and coping skill training, health and rehabilitative services, and pre-vocational and vocational services.

(e) Recipient rights services.

(f) Mental health advocacy.

(g) **Prevention activities** that serve to inform and educate with the intent of reducing the risk of severe recipient dysfunction.

(h) **Any other service approved by the department**.

All of the work of the CMHSP in fulfilling this role, including staff credentialling, contract management, quality improvement, claims payment, customer services and recipient rights, is **related to the CMHSP role as a comprehensive services provider as it has been for decades long prior to the advent of managed care in Michigan's Medicaid program.**

D. CMHSPs as Comprehensive Specialty Services Networks (CSSN) receiving advanced APM sub-capitated payments:

CMHSPs as Comprehensive Specialty Services Networks (CSSN): Michigan's managed behavioral health Medicaid program is built on a structure that designates Michigan's CMHSPs as comprehensive providers receiving sub-capitation payments.

Since the 1998 implementation of the Michigan Medicaid Managed Specialty Supports and Services Program and subsequent federal waiver authorities, CMHSPs were designated as Comprehensive Specialty Services Networks (CSSNs) and are expected to create and maintain Provider Specialty Services Networks (PSSNs). This has been the state's expectations for all CMHSPs and is the very foundation for Michigan's unique managed care "carve-out" sole source contractual arrangement with the public community mental health system.

These roles are outlined in a number of foundational documents of Michigan's behavioral health Medicaid program, excerpts of which are provided below:

Michigan Department of Community Health; Revised Plan for Procurement of Medicaid Specialty Prepaid Health Plans; Final Version; September 2000

> … CMHSPs in the affiliation would be eligible for a special provider designation – that of **"Comprehensive Specialty Service Network" (CSSN)** – that affords them special consideration in the provider network and qualifies them to receive a sub-capitation from the PHP or hub-CMHSP.

Michigan Department of Community Health; Specialty Pre-Paid Health Plan 2002 application for participation; January 2002

> Sub-capitation: An applicant **may sub-capitate for shared risk with affiliates** or established risk-sharing entities.

Advanced Alternative Payment Method (APM) financing Michigan's CMHSPs: Michigan's CMHSPs receive their Medicaid funding via a capitation method, for those CMHSPs who also serve as PIHPs, and via a sub-capitation or global budget, for those CMHSPs working within Regional PIHPs.

Providers in these advance alternative payment methods (APMs), take on a number of clinical and fiscal functions that are core to their work as advanced APM providers. These functions include:

- Utilization management (including eligibility determination, level of care determination, authorization, Utilization review)
- Network management (including staff/provider credentialing, network development, contract management)
- Quality Improvement (including standard setting, performance assessment, corporate and regulatory compliance, evaluation, and provider training)
- Financial management (including claims payment, fiscal risk management, and organizational fiscal management)
- Customer services (including complaints, grievances and appeals)
- Information services (including data aggregation and reporting)

As with all MCO-to- provider relations, the **PIHP retains the responsibility for ensuring that these functions are carried out by the comprehensive service provider** – by the receipt of reports from the comprehensive advanced ABP provider, reviews of samples of work products and processes, audits, and the implementation of corrective action plans as needed.

These functions are those of a comprehensive APM-financed provider and not those of a managed care subcontractor.

One of the clearest descriptions of the roles that sub-capitated comprehensive provider networks is provided by the United Hospital Fund in its report, "Capitation and the Evolving Roles of Providers and Payers in New York". The most relevant segments of the roles that provider organizations take on to fulfill their obligations under a sub-capitated payment arrangement are included in Appendix A.

RECOMMENDED ACTION

In light of these concepts and statutory and regulatory documents, it is key that MDHHS, Milliman, CMHSPs, PIHPs, and providers:

1. Accurately understand the role of Michigan's CMHSPs as a comprehensive network provider system, with clear federal and state statutory and regulatory roles and federal cost accounting requirements.

2. Accurately interpret federal regulations to differentiate the sub-capitated network provider role of the state's CMHSPs from managed care subcontractor roles – as defined in federal statute.

3. Understand that the state's CMHSPs are financed through an advanced Alternative Payment Method (APM), unlike those in the more traditional fee-for-service and private payer-provider systems used in Michigan.

4. Apply these understanding and interpretations as core constructs in the design and implementation of the Standard Cost Allocation (SCA) initiative and related efforts.

Appendix A:

Excerpts from the United Hospital Fund report: Capitation and the Evolving Roles of Providers and Payers in New York

Through our interviews with the outside experts, we developed a framework that identifies some of functions provided by payers under traditional payment schemes. In Table 1, we grouped those functions into four broad categories. **The experts whom we interviewed suggested that a (comprehensive provider) operating under a capitation contract would likely want to control or strongly influence those functions that have the greatest impact on the measures of the (comprehensive provider's) success: whether it improves quality, provider experience, and member experience, and whether it controls costs. They suggested that (comprehensive providers) themselves might want to assume responsibility for these functions, indicated by the areas (boxed) in the table.**

Table 1. Migrating (Comprehensive Provider) Administrative Functions from Payers
Boxed areas indicate functions for which (Comprehensive Providers) might assume responsibility.

Product design, sales, and regulatory compliance

Product Design
Actuarial soundness
Network design
Co-insurance and deductibles
Premium rate-setting

Marketing
Specify population covered
Purchaser relations
Advertising and sales

Compliance & Risk Management
Insurance rules, regulations
Policies and procedures
Risk management

Provider-facing functions

Provider Relations
Network management
Credentialing
Provider contracting
Provider communications

Medical Management
Quality reporting and improvement
Utilization management
Disease management
Care management
Care coordination

Member-facing functions

Customer Service

Member communications
Call center and member services
Health education
Track and report on member experience
Appeals and grievances

Finance, Planning, and Analysis

Finance

Pricing services
Receive, adjudicate, pay claims
Tracking expenditures
Monthly, regular reports to providers
Monitor and report to plan / purchaser
Reinsurance and stop-loss

Planning and Analytics

Planning
Claims data and analytics
Monitor, report on quality
Monitor utilization, expenses, costs
Track provider and network performance

(Underlining, in the following excerpt, is provided for emphasis)

Provider-Facing Functions. (Comprehensive providers) are responsible for the performance of an entire provider network in caring for their attributed population. To do so effectively, they must be prepared to assume or oversee a series of new functions that affect their relationships with participating providers, including credentialing, contracting, communications, and network management. Most important, they will need to control processes for medical management, including care management, quality improvement (identifying and spreading best practices and reducing variation), and sensitive functions like pre-authorization and utilization management, which can greatly influence both costs of care and provider satisfaction.

Member-Facing Functions. (Comprehensive providers)s will also want to control (or strongly influence) functions that affect their relationships with members. They will need to develop or enhance member services, supported by 24-hour call centers to handle patient questions and complaints, and to organize and deliver programs of health education to engage and support patients and their caregivers. Their performance in these areas can influence patient engagement (which contributes to improved outcomes), member satisfaction (a measure on which (comprehensive providers) are generally graded), and member retention (which is key to attribution).

Finance, Planning, and Analytics. Perhaps the greatest challenge facing (comprehensive providers) under capitation is in the broad category of finance, planning, and analytics. Under shared savings and shared risk arrangements, (comprehensive providers) need to develop basic capabilities in some of these areas; but since most of their provider payments are still tied to fee-for-service billing (and only a small portion to the year-end bonuses based on the shared savings they may generate), their performance in these areas may not be perceived as critical.

Under capitation, however, (comprehensive providers) need robust health information and planning capacities, including the ability to assess and adjust for risk, to promptly produce clinical and claims data analytics needed to

support quality improvement, to track performance against budget, and to mitigate the potential impact of the increased risk they are assuming. (Comprehensive providers) will also need to develop or acquire new financial, actuarial, and accounting systems, including the capacity to negotiate payment rates, and pay bills received from providers.