

HEALTHWEST
FULL BOARD MINUTES

August 22, 2025

8:00 a.m.

**376 E. Apple Ave.
Muskegon, MI 49442**

CALL TO ORDER

The meeting of the Full Board was called to order by Chair Thomas at 8:00 a.m.

ROLL CALL

Members Present: Janet Thomas, Charles Nash, Cheryl Natte, Chris McGuigan, Janice Hilleary, Jeff Fortenbacher, John M. Weerstra, Kim Cyr, Mary Vazquez, Remington Sprague, M.D., Tamara Madison, Thomas Hardy

Others Present: Rich Francisco, Holly Brink, Gina Maniaci, Kristi Chittenden, Christy LaDronka, Carly Hysell, Gordon Peterman, Amber Berndt, Gary Ridley, Jennifer Hoeker, Linda Wagner, Brittani Duff, Ann Gatt, Melina Barrett, Jackie Farrar, Linda Anthony, Tasha Kuklewski, Kelly Betts, Helen Dobb, Stephanie Vanderkooi, Pam Kimble, Gina Kim, Shannon Morgan, Mickey Wallace, Kim Davis

Guests Present: Mark Eisenbarth

MINUTES

HWB 109-B - It was moved by Mr. Hardy, seconded by Mr. Weerstra, to approve the minutes of the July 25, 2025 Full Board meeting as written.

MOTION CARRIED

COMMITTEE REPORTS

Program Personnel Committee

HWB 102-P - It was moved by Mr. Hardy, seconded by Ms. Thomas, to approve the minutes of the June 13, 2025 meeting as written.

MOTION CARRIED

Recipient Rights Committee

HWB 103-R - It was moved by Ms. Natte, seconded by Ms. Thomas, to approve the minutes of the June 13, 2025 meeting as written.

MOTION CARRIED

HWB 104-R - It was moved by Mr. Weerstra, seconded by Ms. Natte to approve the Recipient Rights Reports for June 2025 / July 2025.

MOTION CARRIED

Finance Committee

HWB 105-F - It was moved by Mr. Hardy, seconded by Mr. Weerstra, to approve expenditures for the month of June 2025, in the total amount of \$9,029,218.93.

MOTION CARRIED

HWB 106 -F -It was moved by Mr. Hardy, seconded by Mr. Weerstra, to approve contract with Mission Ambition, LLC for 5 (five)years Fiscal Year 2026 – Fiscal Year 2030 at an amount not to exceed \$30,000 a year. Contingent upon approval to amended request in December 2025 of funding increase at the amount not to exceed \$300,000 over the five-year term without prior approval.

MOTION CARRIED

HWB 107-F - It was moved by Mr. Hardy, seconded by Mr. Weerstra, to approve the MDHHS Peer Recovery Coach Retention Bonus 2025 grant in the amount of \$8,000 and pay a one-time retention bonus to the Peer Recovery Coaches per the grant requirements before September 30, 2025.

MOTION CARRIED

HWB 108-F - It was moved by Mr. Hardy, seconded by Mr. Weerstra, to approve the HealthWest Executive Director to sign an Interagency Cash Transfer Agreement with Michigan Rehabilitation Services, effective October 1, 2025 through September 30, 2026, with a projected expenditure not to exceed \$69,200.00

MOTION CARRIED

ITEMS FOR CONSIDERATION

HWB 110-B – It was moved by Mr. Hardy, seconded by Mr. Weerstra, to approve HealthWest to participate in the CMHA Special Assessment, in the amount of \$23,363.00, to be paid to the Community Mental Health Association.

MOTION CARRIED

HWB 111-B – It was moved by Ms. Natte, seconded by Dr. Sprague, to approve the changes to the HealthWest Consumer Advisory Committee members, effective August 22, 2025.

MOTION CARRIED

OLD BUSINESS

There was no old business.

NEW BUSINESS

There was no new business.

COMMUNICATION

There was no communication.

DIRECTOR'S COMMENTS

Mr. Francisco, Executive Director, presented his Formal Director's report.

MDHHS Updates:

- Following up on PIHP Re-BID: MDHHS has released the RFP on the Sigma site and CMHA has hosted meetings to address the current threat of privatization. CMHA and its members all agree that trying to stop the RFP from happening is the first goal. In the second meeting with CMHA, Greg Moore from Taft law and Neil Marchand from Miller Johnson were both present to talk about the approach. Greg Moore will be representing the PIHP side, and their position and Neil Marchand will be representing the CMHSP side. These efforts will be coordinated. The goal is to have a PIHP and a CMHSP file a lawsuit initially and increase effort if needed. The initial goal is to get an injunction by filing the lawsuit. I can work on an approval motion for the board to sign if the board wishes for HW to participate in the lawsuit.
- PIHP Procurement – there are agencies that are preparing if the RFP goes through. This would allow them to make a bid to be the contractor for the central region. I have shared those options before. One is the formation of a RE (regional entity) that will work with the current 5 PIHPs to make a bid for the RFP utilizing the Urban Cooperation Act (UCA). Another is to have the 44 CMHSP band together to form an RE also using the UCA. Lastly, the option proposed by Rehmann as a public/private partnership – where in the public formation of RE would contract with Rehmann to do the MCO functions of the RE.
- CMHA proposed alternative future design of the current system, a redesign in lieu of the RFP. The concern that has been brought up with this is that this seems to conflict with the initial strategy of trying to defeat the RFP, but at the same time supports a redesign of the system.

LRE Level Updates:

- PIHP FY22 Cost settlement for past years. No new update on this currently. The background is earlier this year, the LRE received a memo indicating that MDHHS is owed \$13.7M and withheld \$4.8 million (in escrow) in LRE revenues. The LRE continues to collaborate with their legal team on this.
- LRE is also collaborating with a consultant (Edgewater Consulting) to review the Specialized Residential rates and has completed phase 1 of the work. This

involved the gathering of various rates from service claims and doing an initial evaluation of how the various CMHSP approve placement in specialized residential settings. CMHSPs has agreed to continue with the work and the LRE will work with making recommendations to get our rates closer.

- Insurance Provider Assessment (IPA). LRE is continuing to work on this issue with the Provider tax. LRE updated the region that the Dept. of Treasury sent the FY2025 tax bill based on FY23 and not FY24 revenues resulting in \$1M more to the tax bill. According to the LRE they have questioned MDHHS on how they will make the PIHP whole the increased amount they are asking of the CMHSPs.

CMH Level Updates:

- CCBHC Direct payment – HW continues to work on this change in payment system for CCBHCs. HW is preparing and ensuring we have all our processes ready to respond to the changes that MDHHS would like to have in place.
- HW completed the first general session this week on the Disney way customer services training. There were about eighty-five staff that attended. The feedback was positive from the staff that I have talked to so far and some even stated that it was much needed. I want to thank the leadership team and Mary McGhee for being our customer services champion. Our goal is to renew and increase greater emphasis on how we serve our customers.
- I would also like to thank the Customer Services team (Gary and his team) and the many volunteers that participated in the Health, Wellness and Recovery Picnic last Thursday 8/14. The event had record attendees and vendors this year and was a huge success.
- AI or Artificial Intelligence solutions are currently being reviewed at HW for the Electronic Medical record we call Latitude43. We have evaluated Elios product, and we are now going to have a demo of another solution called Clinically AI. The goal is using AI to be more efficient in documentation of progress notes. Most AI solutions with healthcare are claiming that clinicians can save as much as 15 to 20 minutes in clinical documentation which really improves efficiency.

AUDIENCE PARTICIPATION

There was no audience participation.

ADJOURNMENT

There being no further business to come before the board, the meeting adjourned at 8:46 a.m.

Respectfully,

Janet Thomas
Board Chair
/hb

PRELIMINARY MINUTES
To be approved at the Full Board Meeting on
September 19, 2025



TO: HealthWest Board Members

FROM: Janet Thomas, Board Chair, via Rich Francisco, Executive Director

SUBJECT: Full Board Meeting
August 22, 2025
376 E. Apple Ave., Muskegon, MI 49442
<https://healthwest.zoom.us/j/92330401570?pwd=TFNHMWlnQmF5NVYybWRQVG54Tk1GZz09>
One tap mobile: (309)205-3325, 92330401570# Passcode: 428623

AGENDA

- | | | |
|-----|---|-------------|
| 1) | Call to Order | Action |
| 2) | Approval of Agenda | Action |
| 3) | Approval of Minutes | |
| | A) Approval of the Full Board Minutes of July 25, 2025
(Attachment #1 – pg. 1-4) | Action |
| 4) | Public Comment (on an agenda item) | |
| 5) | Committee Reports | |
| | A) Program Personnel Committee
(Attachment #2 – pg. 5-8) | Action |
| | B) Recipient Rights Committee
(Attachment #3 – pg. 9-11) | Action |
| | C) Finance Committee
(Attachment #4 – pg. 12-15) | Action |
| 6) | Items for Consideration | |
| | A) Approval to Participate in CMHA Special Assessment
(Attachment #5 pg. 16-21) | Action |
| | B) Approval of Changes to Consumer Advisory Committee
(Attachment #6 pg. 22) | Action |
| 7) | Old Business | |
| 8) | New Business | |
| 9) | Communication | |
| | A) Consumer Advisory Update: Thomas Hardy | Information |
| | B) September Meeting Notice
(Attachment #7 – pg. 23) | Information |
| | C) Director's Report
(Attachment #8 – pg. 24-25) | Information |
| 10) | Public Comment | |
| 11) | Adjournment | Action |

HEALTHWEST
FULL BOARD MINUTES

July 25, 2025

8:00 a.m.

**376 E. Apple Ave.
Muskegon, MI 49442**

CALL TO ORDER

The meeting of the Full Board was called to order by Chair Thomas at 8:00 a.m.

ROLL CALL

Members Present: Janet Thomas, Cheryl Natte, Janice Hilleary, Kim Cyr, Remington Sprague, M.D., Thomas Hardy, Tamara Madison,

Members Absent: Charles Nash, Chris McGuigan, Jeff Fortenbacher, John M. Weerstra, Mary Vazquez

Others Present: Rich Francisco, Holly Brink, Gina Maniaci, Kristi Chittenden, Christy LaDronka, Carly Hysell, Gordon Peterman, Amber Berndt, Gary Ridley, Anissa Goodno, Latrice Williams, Stephanie Segar, Jennifer Hoeker, Linda Wagner, Brittani Duff, Ann Gatt, Kara Zielinski, Melina Barrett, Jackie Farrar, Linda Anthony, Laurie Evans, Susan Plotts, Stephanie Baskin, Helen Dobb, Mary McGhee, Lauren Thomas, Kristian Kortman

Guests Present: Mark Eisenbarth

MINUTES

HWB 98-B - It was moved by Mr. Hardy, seconded by Ms. Natte, to approve the minutes of the June 27, 2025 Full Board meeting as written.

MOTION CARRIED

ITEMS FOR CONSIDERATION

HWB 99-B – It was moved by Mr. Hardy, seconded by Dr. Sprague, to approve expenditures for the month of May 2025, in the total amount of \$9,811,264.92.

MOTION CARRIED

Monthly Report from the Chief Financial Officer

Ms. Hysell, Director of Finance, presented the May report, noting an overall cash balance of \$7,959,459.12 as of May 31, 2025.

Finance Update Memorandum

Ms. Hysell, Director of Finance, presented the Finance Update Memorandum for the Board review.

HWB 100-B – It was moved by Mr. Hardy, seconded by Ms. Hilleary, to approve the FY25 contracted Vendors/Providers listed under the five funding sources. The total budget for the five funding services is \$48,077,747.00 effective July 25, 2025, through September 30, 2025

MOTION CARRIED

HWB 101-B – It was moved by Mr. Hardy, seconded by Dr. Sprague, to approve Janet Thomas as a recommendation for a re-appointment for the Executive Board Member for the LRE (Lakeshore Regional Entity), and authorizes the HealthWest Executive Director, Rich Francisco, to recommend her on behalf of the HealthWest Board of Directors.

MOTION CARRIED

OLD BUSINESS

There was no old business.

NEW BUSINESS

There was no new business.

COMMUNICATION

Laurie Evans, Talent Acquisition & Onboarding Coordinator, presented the MCEEA Employer of the Year Award.

DIRECTOR'S COMMENTS

Mr. Francisco, Executive Director, presented his Formal Director's report.

Federal/MDHHS Updates:

- BBB (Big Beautiful Bill) – I have attended an update meeting that was put on by Senator Slotkin's office regarding the impacts of the BBB on Healthcare and other programs. I specifically focused on the Medicaid potential impacts:
 - Talked about Healthy Michigan Plan (tied to Medicaid) which is Obamacare (marketplace), enrollment will begin Nov. 1st. There are increases in the amounts by Jan. 1, 2026. An example given: A family with an income of \$129k will be paying about 5500 more per year. Auto-enrollment feature for this is going away by Jan 1, 2028.
 - The state has 700k individuals on HMP.

- Work Requirements to be implemented by Jan. 1, 2027, 19-64 years must work. 80 hours per month to keep coverage, eligibility will need proof of work. About 20 hours a week including volunteer time. It was also mentioned that there will be exceptions to this as well.
- 6-month renewal of Medicaid eligibility versus annually now. The auto-renewal process will be taken away. There will likely be disenrollment due to these additional requirements for eligibility.
- Hospitals – loss of revenue over 10 years of about 1B. Another impact would be that a total increase in insurance from about 11% to 13% for Private insurance --the rationale from the Hospital association is that if less are covered by Medicaid or drop off, the hospital is still required to serve individuals (emergency stabilization) and to make up for that cost, private insurance may take a hit. Rural Hospitals will take an even bigger impact.
- Another discussion is surrounding the loss of funding for the state on their Medicaid portion that is drawn down via Provider Taxes as this is banned in the BBB. There is ongoing discussion at the Legislative level and the budget must continue to figure this out.
- Following up on PIHP Re-BID: MDHHS has not released the RFP yet, originally anticipated Summer of 2025 but we are now hearing that it could be September before it is released (give or take a month). Based on the RFP criteria, there have been three options from the field proposed to create a regional entity that would be eligible to submit a bid for the Central Region. One released describes the new RE to contract existing PIHPs, one utilizes the Urban Cooperation Act, and lastly, a Private/Public partnership that retains the public governance. In the last option, I was selected along with another CEO to review the By-Laws from our PIHP. After the first round of reviews, it is now in Final Draft form ready for review by the other CEOs of the CMHSPs representing the Central Region. There is a total of 33 CEOs.

LRE Level Updates:

- PIHP FY22 Cost settlement for past years. Earlier this year, the LRE received a memo indicating that MDHHS is owed \$13.7 million and withheld \$4.8 million (in escrow) in LRE revenues. The LRE continues to work with their Legal on this who is in touch with the Attorney General's office to resolve – LRE stated that AG filed a motion for summary disposition and will have until August 13th to respond. LRE states that they will push to get the money back.
- Insurance Provider Assessment (IPA). This is like a tax on Medicaid revenues received by the LRE. LRE updated the region that the Dept. of Treasury sent the FY2025 tax bill based on FY23 and not FY24 revenues resulting in \$1 million more to the tax bill. According to MDHHS – this was on purpose to not use the FY24 which is by law. LRE will pursue this and provide an update.
- LRE presented the initial FY26 Revenue Projection and regionally they forecast an increase of \$24.15 million for the year. FY25 budget projection is \$477.5 million and FY26 is \$501.5 million. For HW, this is projected at about a \$4.7 million increase or about a 4.6% increase.

CMH Level Updates:

- CCBHC Direct payment – MDHHS is transitioning payments to CCBHCs directly. There are a variety of transition groups that meet at the state level. Some groups focus on the IT/encounter submission, utilization management, contracts and agreements, and other administrative changes to getting this done. HW staff represent our agency in one or more of these groups. There is still a lot of work to be done before the beginning of the year.
- I want to give a shout out to our award winners for our Westies employee recognition award. Congratulations to all the nominees! Your peers think very highly of you, and we want to congratulate you on the excellent work you are doing for HealthWest.
- Samaritas home transition to Moka has been completed. I received an email from Moka CEO thanking us for working with them for transitioning to the new ownership of these homes for the past several months.

AUDIENCE PARTICIPATION

There was no audience participation.

ADJOURNMENT

There being no further business to come before the board, the meeting adjourned at 8:35 a.m.

Respectfully,

Janet Thomas
Board Chair
/hb

**PRELIMINARY MINUTES
To be approved at the Full Board Meeting on
August 22, 2025**

HEALTHWEST

PROGRAM AND PERSONNEL COMMITTEE REPORT TO THE BOARD

via Cheryl Natte, Committee Chair

1. The Program Personnel Committee met on August 8, 2025.
- * 2. It was recommended, and I move, to approve the minutes of the June 13, 2025, meeting as written.

/hb

HEALTHWEST
PROGRAM/PERSONNEL MEETING MINUTES

August 8, 2025
8:00 a.m.

376 E. Apple Ave.
Muskegon, MI 49442

CALL TO ORDER

The regular meeting of the Program/Personnel Committee was called to order by Chair Natte at 8:01 a.m.

ROLL CALL

Members Present: Cheryl Natte, Janet Thomas, Janice Hilleary, John Weerstra, Mary Vazquez, Tamara Madison, Thomas Hardy

Staff Present: Rich Francisco, Holly Brink, Gina Maniaci, Brandy Carlson, Christy LaDronka, Kristi Chittenden, Linda Wagoner, Carly Hysell, Melina Barrett, Helen Dobb, Brittani Duff, Mickey Wallace

Guests Present: Kristen Wade

MINUTES

It was moved by Mr. Hardy, seconded by Ms. Thomas, to approve the minutes of the June 13, 2025 meeting as written.

MOTION CARRIED.

PUBLIC COMMENT (ON AN AGENDA ITEM)

There was no public comment.

ITEMS FOR CONSIDERATION

There was no items for consideration.

OLD BUSINESS

There was no old business.

NEW BUSINESS

There was no new business.

COMMUNICATION

There was no communication.

DIRECTOR'S COMMENTS

Rich Francisco, Executive Director, provided his Director's Report:

- CSU new location: August 13th, 1 pm to 3pm, 1713 7th St. The features of the new and expanded space of facility will help with:
 - Reducing feelings of confinement and promotes calm
 - Improves staff visibility for better monitoring and quicker response
 - Enhance openness, which can reduce anxiety and depression
 - Encourages social interactions while still allowing for privacy
- Health Wellness and Recovery Picnic (HWR) will be on Thursday, August 14th, from 11am to 2pm at Hackley Park. Through our HealthWest HWR community picnic, residents can access **more than 100 local health and human service providers**. This event is completely free and offers children's activities, live music, raffle giveaways and even a free picnic lunch for the first 1,000 attendees. In addition to the traditional picnic favorites, this year's event will feature resources for job seekers looking for a career in the health or human services field.
- The PIHP Re-bid update: MDHHS has released the RFP on the sigma application site for where all RFPs are posted. The RFP was released early this week. CMHA immediately set up a debrief meeting with PIHP Directors and CMHSP CEOs to review the documents from the RFP. CMHA has sent a compilation of questions and concerns regarding the document.
- CCBHC Direct payment – HW is continuing to receive updates from MDHHS and from the various workgroups that is addressing the transition to pay the CCBHCs directly. There are multiple groups that HW is currently participating in. There was also a new release of the CCBHC Handbook (version 3) and our CCBHC lead, Linda Anthony, is reviewing the changes and updates in the new version.
- Lastly, I just want to share that the Leadership Team is completing the last day of Customer Services training modeled after Disney Way. The General Customer services training course for the rest of the staff will start in a couple of weeks. The leadership training was geared towards developing the values and framework to determine how we as an agency will deliver great customer service. The first general customer services training course will be on August 19th.

AUDIENCE PARTICIPATION

There was no audience participation.

ADJOURNMENT

There being no further business to come before the board, the meeting adjourned at 8:09 a.m.

Respectfully,

Cheryl Natte
Program/Personnel Committee Chair

CN/hb

HEALTHWEST
RECIPIENT RIGHTS ADVISORY COMMITTEE
REPORT TO THE BOARD

via Thomas Hardy, Committee Chair

1. The Recipient Rights Advisory Committee met on August 8, 2025
- * 2. It was recommended, and I move, to approve the minutes of the June 13, 2025 meeting as written.
- * 3. It was recommended, and I move, to approve the Recipient Rights Reports for June 2025 / July 2025.

/hb

HEALTHWEST

RECIPIENT RIGHTS ADVISORY COMMITTEE MEETING MINUTES

Friday, August 8, 2025
8:00 a.m.
376 E. Apple Ave., Muskegon, MI 49442

CALL TO ORDER

The regular meeting of the Recipient Rights Advisory Committee was called to order by Chair Hardy at 8:10 a.m.

ROLL CALL

Members Present: Cheryl Natte, Janet Thomas, Janice Hilleary, John Weerstra, Mary Vazquez, Tamara Madison, Thomas Hardy

Staff Present: Rich Francisco, Holly Brink, Gina Maniaci, Brandy Carlson, Christy LaDronka, Kristi Chittenden, Carly Hysell, Linda Wagoner, Melina Barrett, Helen Dobb, Brittani Duff, Mickey Wallace

Guests Present: Kristen Wade

APPROVAL OF MINUTES

It was moved by Ms. Natte, seconded by Ms. Thomas, to approve the minutes of the June 13, 2025 meeting as written.

MOTION CARRIED.

ITEMS FOR CONSIDERATION

A. Motion to Accept Recipient Rights Reports for June 2025 / July 2025

It was moved by Mr. Weerstra, seconded by Ms. Natte to approve the Recipient Rights Reports for June 2025 / July 2025.

MOTION CARRIED.

For the months of June 2025 / July 2025, there were 112 HealthWest and 63 provider employees trained:

Rights Updates HealthWest	79
Rights Updates Provider	0
New Employee Training HealthWest/Contracted	12
New Employee Training Provider	63
SUD Orientation	21

For the months of June 2025 / July 2025 there were 740 incident reports and 72 rights allegations.

Statistical data showing type and code was provided in the enclosed report.

There were a total of 8 deaths reported in June 2025 / July 2025.

OLD BUSINESS

There was no old business.

NEW BUSINESS

There was no new business.

COMMUNICATIONS

Recipient Rights Officer, Linda Wagner, provided training on Policy 04-003 Consent, Policy 04-004 Duty to Warn, and Policy 04-006 Safeguarding the Rights of Recipients.

DIRECTOR'S COMMENTS

There was no Director's Comments.

AUDIENCE PARTICIPATION / PUBLIC COMMENT

There was no audience participation.

ADJOURNMENT

There being no further business to come before the committee, the meeting adjourned at 8:29 a.m.

Respectfully,

Thomas Hardy
HealthWest Rights Advisory Committee Chair

TH/hb

***PRELIMINARY MINUTES
To be approved at the Rights Advisory Committee Meeting of
October 10, 2025***

HEALTHWEST

FINANCE COMMITTEE REPORT TO THE BOARD

via Jeff Fortenbacher, Committee Chair

1. The Finance Committee met on August 15, 2025.
- * 2. It was recommended, and I move to approve to approve expenditures for the month of June 2025, in the total amount of \$9,029,218.93.
- * 3. It was recommended, and I move to approve contract with Mission Ambition, LLC for 5 (five) years Fiscal Year 2026 – Fiscal Year 2030 at an amount not to exceed \$30,000 a year. Contingent upon approval to amended request in December 2025 of funding increase at the amount not to exceed \$300,000 over the five-year term without prior approval.
- * 4. It was recommended, and I move to approve the MDHHS Peer Recovery Coach Retention Bonus 2025 grant in the amount of \$8,000 and pay a one-time retention bonus to the Peer Recovery Coaches per the grant requirements before September 30, 2025.
- * 5. It was recommended, and I move to approve the HealthWest Executive Director to sign an Interagency Cash Transfer Agreement with Michigan Rehabilitation Services, effective October 1, 2025 through September 30, 2026, with a projected expenditure not to exceed \$69,200.00.

/hb

HEALTHWEST

FINANCE COMMITTEE MEETING MINUTES

August 15, 2025

8:00 a.m.

CALL TO ORDER

The regular meeting of the Finance Committee was called to order by Committee Chair Fortenbacher at 8:01 a.m.

ROLL CALL

Committee Members Present: Jeff Fortenbacher, Janet Thomas, Thomas Hardy, John M. Weerstra

Committee Members Absent: Charles Nash, Remington Sprague, M.D.

Also Present: Holly Brink, Brandy Carlson, Christy LaDronka, Kristi Chittenden, Tasha Kuklewski, Gary Ridley, Shannon Morgan, Jackie Farrar, Helen Dobb, Jennifer Hoeker

ITEMS FOR CONSIDERATION

A. Approval of Expenditures for June 2025

It was moved by Mr. Hardy, seconded by Mr. Weerstra, to approve expenditures for the month of June 2025, in the total amount of \$9,029,218.93.

MOTION CARRIED

B. Monthly Report from the Chief Financial Officer

Ms. Carlson, Chief Financial Officer, presented the June report, noting an overall cash balance of \$4,014,174.90 as of June 30, 2025.

C. Finance Update Memorandum

Ms. Carlson, Chief Financial Officer, presented the Finance Update Memorandum for the Board review.

D. Approval of Mission Ambition Contract Extension

It was moved by Mr. Hardy, seconded by Mr. Weerstra, to approve contract with Mission Ambition, LLC for 5 (five) years Fiscal Year 2026 – Fiscal Year 2030 at an amount not to exceed \$30,000 a year. Contingent upon approval to amended request in December 2025 of funding increase at the amount not to exceed \$300,000 over the five-year term without prior approval.

MOTION CARRIED

E. Approval to Accept MDHHS Peer Recovery Coach Retention Bonus 2025 Grant

It was moved by Mr. Hardy, seconded by Mr. Weerstra, to approve the MDHHS Peer Recovery Coach Retention Bonus 2025 grant in the amount of \$8,000 and pay a one-time retention bonus to the Peer Recovery Coaches per the grant requirements before September 30, 2025.

MOTION CARRIED

F. Approval to Enter Interagency Cash Transfer Agreement (ICTA)

It was moved by Mr. Hardy, seconded by Mr. Weerstra, to approve the HealthWest Executive Director to sign an Interagency Cash Transfer Agreement with Michigan Rehabilitation Services, effective October 1, 2025 through September 30, 2026, with a projected expenditure not to exceed \$69,200.00.

MOTION CARRIED

OLD BUSINESS

There was no old business.

NEW BUSINESS

There was no new business.

COMMUNICATIONS

There was no communication.

DIRECTOR'S COMMENTS

Rich Francisco, Executive Director provided an update:

- FY22 LRE / MDHHS cost settlement – I received an update from Mary Dumas via text indicating that the LRE will pursue legal action with MDHHS. Mary stated that per the last communication with MDHHS, MDHHS will be giving the LRE 21 days' notice before taking the money back. Just as a reminder, MDHHS in January did withhold a payment of \$4 million from LRE revenues and put in an escrow.
- CCBHC Direct payment transition group meetings continue to happen, and our staff have been getting information from these groups as details regarding the CCBHC direct payment processes are addressed. We have staff represented in these various transition work groups and they are addressing how we would as a CMH / CCBHC fulfill this new requirement.
- PIHP Rebid / Procurement – I provided an update to our Program Personnel Committee (8/8/2025) that MDHHS has released the RFP on their Sigma site which is the MDHHS platform used to release new RFPs. Several agencies, including CMHA, have been able to download details of the PIHP procurement in more detail and outline requirements for those interested in being an eligible bidder. However, there are a lot of concerns from the field: CMHA, PIHP directors, and CMHSP directors have expressed concerns regarding the privatization of the public mental health system. HW along with many others in the region and in the state are currently reviewing these new requirements in the RFP. CMHA has had a meeting to debrief on the issues as well as a second meeting on Thursday, August 14th. CMHA will be exploring and will likely discuss legal actions against the release of the RFP. I will provide a more detailed update at the full HW board meeting.

AUDIENCE PARTICIPATION

There was no audience participation.

ADJOURNMENT

There being no further business to come before the committee, the meeting adjourned at 8:21 a.m.

Respectfully,

Jeff Fortenbacher
Committee Chair

/hb

PRELIMINARY MINUTES
To be approved at the Finance Meeting on
September 12, 2025

REQUEST FOR HEALTHWEST BOARD CONSIDERATION AND AUTHORIZATION

COMMITTEE Full Board	BUDGETED X	NON BUDGETED	PARTIALLY BUDGETED
REQUESTING DIVISION Finance	REQUEST DATE August 22, 2025	REQUESTOR SIGNATURE Brandy Carlson, Chief Financial Officer	
<p><u>SUMMARY OF REQUEST (GENERAL DESCRIPTION, FINANCING, OTHER OPERATIONAL IMPACT, POSSIBLE ALTERNATIVES)</u></p> <p>The Community Mental Health Association (CMHA) of Michigan and its member organizations are once again facing a significant privatization threat to the state's public mental health system. CMHA previously levied a Special Assessment that successfully supported advocacy efforts to counter similar threats, resulting in the creation of the CMHA Advocacy and Education Fund, which currently holds a remaining balance of \$15,093. The CMHA Executive Committee has approved a new voluntary Special Assessment to provide increased funding for advocacy, government affairs, media/public relations, and legal work in response to the current threat posed by the recently issued RFP for the state's PIHP contracts, and CMHA will contribute an additional \$100,000 from its fund balance to support this effort. The Special Assessment is voluntary and may be paid using any funding source available to CMHSPs and PIHPs, consistent with the legal and accounting treatment of CMHA dues and fees.</p> <p>Approval is requested to participate in the voluntary Special Assessment proposed by CMHA, in the amount equal to HealthWest's FY2025 annual CMHA dues and fees, to be contributed to the CMHA advocacy and Education Fund. These funds shall be used to intensify CMHA's advocacy and public education efforts in defense of Michigan's public mental health system.</p>			
<p><u>SUGGESTED MOTION (STATE EXACTLY AS IT SHOULD APPEAR IN THE MINUTES)</u></p> <p>I move to authorize HealthWest to participate in the CMHA Special Assessment, in the amount of \$23,363.00, to be paid to the Community Mental Health Association.</p>			
COMMITTEE DATE August 22, 2025	COMMITTEE APPROVAL _____ Yes _____ No _____ Other		
BOARD DATE August 22, 2025	BOARD APPROVAL _____ Yes _____ No _____ Other		

HWB 110-B

CMHA Member Dues and Fees Fiscal Year 2025

CMHSP dues to CMHA

FY 2025

CMHSP	
Allegan	15,213
AuSable Valley	14,649
Barry	11,137
Bay-Arenac	19,330
Berrien	19,009
Centra Wellness NW (Mans B)	11,354
Clinton Eaton Ingham	31,022
CMH for Central MI	28,714
Copper Country	11,464
Detroit-Wayne	31,022
Genesee	31,022
Gogebic	10,984
Gratiot	11,389
Hiawatha	11,346
Huron	11,113
Ionia- The Right Door for Hope	11,508
Kalamazoo	27,407
Lapeer	14,678
Lenawee	14,631
LifeWays	27,087
Livingston	15,464
Macomb	31,022
Monroe	15,490
Montcalm	14,662
Muskegon- HW	23,363
Network180 (Kent)	31,022
Newaygo	11,380
North Country	19,158
Northeast Michigan	15,168
Northern Lakes	23,315
Northpointe	11,543
Oakland	31,022
Ottawa	18,934
Pathways	18,758
Pines	11,265
Saginaw	23,866
Sanilac	11,547
Shiawassee	14,830
St. Clair	23,720
St. Joseph	11,559
Summit Pointe	19,416
Tuscola	14,591
Van Buren	14,886
Washtenaw	27,415
West Michigan	15,008
Woodlands	11,229

PIHP Fees to CMHA

FY 2025

All 10 PIHPs	53,780
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Community Mental Health Association of Michigan
CMHA Special Assessment: Q&A
August 2025

In the past, CMHA members have asked for responses to several questions related to the payment of the special assessments. These questions and their answers, relevant to the 2025 special assessment, are provided below.

1. Can Medicaid funds make up part or all of the payment, by a CMH or PIHP, of this special assessment and any other dues payment to CMHA, if those funds fuel advocacy work?
2. Does the federal Hatch Act prohibit a CMH or PIHP from making this special assessment payment if those funds fuel advocacy work?
- 3: Can a voluntary/discretionary expenditure, such as the Special Assessment, by a reasonable and necessary cost as required by Medicaid?

CMHA used the guidance of legal counsel – the firm of Feldesman, Tucker (a nationally recognized law firm that provides legal counsel to the National Council for Mental Wellbeing and many National Council members, including CMHA) and the firm of Cohl, Stoker, and Toskey (a firm recognized across the state and providing legal counsel for decades to CMHA and many CMHA members and partners) – on these two issues.

The legal opinions on the first two questions cited above, one by the Feldesman firm and one by the Cohl firm, are provided below:

Question 1: Can Medicaid funds make up part or all of the payment, by a CMH or PIHP, of this special assessment and any other dues payment to CMHA, if those funds fuel advocacy work?

Legal opinion of Feldesman, Tucker, Liefer, and Fidell:

You had asked for my legal opinion as to whether your members (CMHs and their regional PIHPs), both of which are subject to Part 200 cost principles, may charge membership dues in CMHA to Medicaid when part of those membership dues are to be used for the purpose of advocacy activities.

The cost principles under Part 200 dictate to what extent certain administrative costs are allowable and can be charged to Medicaid by an organization. Specifically, 2 CFR § 200.454 governs the allowability of memberships, subscriptions, and professional activity costs. That provision states that:

- (a) Costs of the non-Federal entity's membership in business, technical, and professional organizations are allowable.
- (b) Costs of the non-Federal entity's subscriptions to business, professional, and technical periodicals are allowable.
- (c) Costs of membership in any civic or community organization are allowable with prior approval by the Federal awarding agency or pass-through entity.
- (d) Costs of membership in any country club or social or dining club or organization are unallowable.
- (e) Costs of membership in organizations whose primary purpose is lobbying are unallowable. See also § 200.450.

Accordingly, membership dues in a business and professional organization are allowable costs under Part 200, provided that the primary purpose of the organization is not lobbying.

If CMHA's financial records demonstrate that lobbying activities comprise less than 51% of its expenditures in any given year, then your members should be able to charge CMHA membership dues to Medicaid.

Adam Falcone he/him/his
Partner
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Answer 1: Determination as to whether lobbying is the primary purpose of CMHA, **in light of Adam Falcone's counsel, above:** The lobbying costs of CMHA total \$300,000 per year (reflecting staff time spent in lobbying, contracts with multi-client lobbying firms, and corporate contributions to the corporate/issue advocacy/officeholder accounts of elected officials; note that these are not and cannot be campaign contributions). If the lobbying component of the Special Assessment is \$100,000, the total lobbying expenditures would be \$400,000. **So, at its peak, the lobbying expenditures of CMHA would be 2.5% of the association's annual budget of \$15,513,000 (FY 2025) – far below the 51% threshold that is the standard measure for determining if lobbying is the primary purpose of an organization.**

Thus, Medicaid dollars can be used, by CMH and PIHP members of CMHA can use Medicaid funds to pay dues and fees, including special assessments, to CMHA.

Question 2. Does the federal Hatch Act prohibit a CMH or PIHP from making this special assessment payment if those funds fuel advocacy work?

Legal Opinion of Cohl, Stoker, and Toskey (examining both the federal Hatch Act and the segments of the MDHHS contracts with the state's CMHs and PIHPs that cite the Hatch Act):

The Hatch Act, 5 USC §1501 *et seq.*, generally prohibits Federal employees, or State or local officers or employees whose positions are funded in whole or in part by Federal funds, from (1) using their position to interfere with or affect the result of an election or nomination for office; (2) coercing, commanding or advising a State or local officer or employee to pay, lend, or contribute anything of value to a party, committee, organization, agency, or person for political purposes; or (3) being a candidate for elective office. 5 USC §1502(a).

Thus, the Act applies to individual employed by a State or local agency, such as a CMHSP, whose principal employment is in connection with an activity which is financed in whole or in part by loans or grants made by the United States or a Federal agency, but does not apply to an individual who exercises no functions in connection with that activity. 5 USC §1501(4)(A).

There are exceptions to the prohibition on candidacy for (1) persons holding elective office, and (2) to allow for an employee to be a candidate for non-partisan elective office. 5 USC §§1502(c)(4), 1503.

Individuals subject to the Act retain the right to vote as they choose and to express opinions on political subjects and candidates. 5 USC §1502(b).

Sec. 15.6 of the Michigan Managed Mental Health Supports and Services FY21 Contract states:

"15.6 Hatch Political Activity Act and Inter-governmental Personnel Act. The CMHSP will comply with the Hatch Political Activity Act, 5 USC 1501-1508, and the Intergovernmental Personnel Act of 1970, as amended by Title VI of the Civil Service Reform Act, Public Law 95-454, 42 USC 4728. Federal funds cannot be used for partisan political purposes of any kind by any person or organization involved in the administration of federally assisted programs."

Timothy M. Perrone
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Answer 2: Based on legal opinion above, determination if the lobbying done by CMHA is in violation of Hatch Act: CMHs and PIHPs who, as members of CMHA, pay dues and fees for such membership are not (1) using their position to interfere with or affect the result of an election or nomination for office; (2) coercing, commanding or advising a State or local officer or employee to pay, lend, or contribute anything of value to a party, committee, organization, agency, or person for political purposes; or (3) being a candidate for elective office.

Thus, CMHs and PIHPs who, as members of CMHA, pay dues and fees, including the current Special Assessment, for such membership are not in violation of the Hatch Act.

Question 3: Can a voluntary/discretionary expenditure, such as the Special Assessment, by a reasonable and necessary cost as required by Medicaid?

Answer 3: The voluntary nature of the Special Assessment has caused some of you to be concerned as to whether Medicaid can be used to make a voluntary expenditure, given that all charges to Medicaid must be reasonable and necessary.

In responding to this question, it is key to see that many, if not all, of the costs paid by a PIHP, CMH, or provider, using Medicaid dollars, have a voluntary/discretionary component to them, yet they do not lose their reasonable nor necessary quality. Some examples include:

- Staff: while staff are necessary for operations, the number of staff hired and the pay and benefits level provided them are determined, voluntarily, by the management of the PIHP or CMH (at times, in negotiations with their labor representatives) and yet are seen as reasonable and necessary
- Office space: A voluntary, discretionary expenditure (with the widespread use of virtual connections and work-from-home arrangements), however, the owning or leasing of office space, the amount of space, and the price paid for it are determined by management and, as with staff costs, are seen as reasonable and necessary
- Medications prescribed by a CMH physician and clinical services provided: again, while psychiatric medications and services and supports are reasonable and necessary, the use of them, the type, the dosage, frequency, duration, and intensity are determined by the person centered plan and the clinician, using his/her discretion, yet do not lose their reasonable and necessary character.

There are, of course, many other examples, both administrative and clinical, that have the same voluntary/discretionary traits yet retain their reasonable and necessary qualities.

In these examples, above, and for nearly every other expenditure, the reasonableness and necessity of the expenditure are determined by management or clinicians.

Given the discussion, above, the payment of a special assessment, even a voluntary special assessment, by an association to which the CMHSP or PIHP belongs, is a reasonable and necessary cost as required by Medicaid. Thus, Medicaid funds can be used to make this payment.

REQUEST FOR HEALTHWEST BOARD CONSIDERATION AND AUTHORIZATION

COMMITTEE Full Board	BUDGETED X	NON BUDGETED	PARTIALLY BUDGETED
REQUESTING DIVISION Administration	REQUEST DATE August 22, 2025	REQUESTOR SIGNATURE Kelly Betts, Customer Service Specialist	
SUMMARY OF REQUEST (GENERAL DESCRIPTION, FINANCING, OTHER OPERATIONAL IMPACT, POSSIBLE ALTERNATIVES)			
<p>HealthWest Board authorization is requested to approve the changes to the HealthWest Consumer Advisory Committee members as suggested below.</p> <p>Per Policy: 01-007, the Consumer Advisory Committee shall consist of nine (9) to twelve (12) members defined as follows:</p> <ol style="list-style-type: none"> 1. Inaugural Persons shall be appointed to the CAC by HealthWest Board. Subsequent <u>CAC Members shall be recommended by the CAC and appointed by the HealthWest Board.</u> 2. A person who resides or is employed within Muskegon County. 3. A person who shall have the interest, time, and energy to promote the development and/or improvement of mental health, developmental disability, and substance abuse services in Muskegon County. 4. The CAC shall make every effort to ensure that its membership represents the populations served by HealthWest in equal proportions. <p>The Consumer Advisory Committee Facilitators would like to have the following members appointed to the Consumer Advisory Committee:</p> <p>1.Elizabeth Londo – Community Member</p>			
SUGGESTED MOTION (STATE EXACTLY AS IT SHOULD APPEAR IN THE MINUTES)			
<p>I move to authorize and approve the changes to the HealthWest Consumer Advisory Committee members, effective August 22, 2025.</p>			
COMMITTEE DATE August 22, 2025	COMMITTEE APPROVAL _____ Yes _____ No _____ Other		
BOARD DATE August 22, 2025	BOARD APPROVAL _____ Yes _____ No _____ Other		

HWB 111-B



August 22, 2025

MEETING NOTICE SEPTEMBER 2025

The HealthWest Board will meet in the following sessions during the month of September 2025. Please remember we must have a quorum in person for these meetings. If you participate remotely, your vote will not count. If you have any questions, please let me know.

Finance Committee

Friday, September 12, 2025

Full Board Meeting

Friday, September 19, 2025

The administrative office will contact you via email to remind you of these meetings.

The complete schedule of committee and board meetings for 2025 can be found online at <https://healthwest.net/about-us/healthwest-board-agendas-minutes/2023-board-of-directors-schedule/>

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cc: HealthWest Board Members

Main Office

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[HealthWest.net](https://healthwest.net)



MEMORANDUM

Date: 08/22/2025

To: HealthWest Board of Directors

CC: Mark Eisenbarth, Muskegon County Administrator
Matt Farrar, Muskegon County Deputy Administrator
Angie Gasiewski, Muskegon County Finance Director

From: Rich Francisco, Executive Director

Subject: **Director's Update**

MDHHS Updates:

- Following up on PIHP Re-BID: MDHHS has released the RFP on the Sigma site and CMHA has hosted meetings to address the current threat of privatization. CMHA and its members all agree that trying to stop the RFP from happening is the first goal. In the second meeting with CMHA, Greg Moore from Taft law and Neil Marchand from Miller Johnson were both present to talk about the approach. Greg Moore will be representing the PIHP side, and their position and Neil Marchand will be representing the CMHSP side. These efforts will be coordinated. The goal is to have a PIHP and a CMHSP file a lawsuit initially and increase effort if needed. The initial goal is to get an injunction by filing the lawsuit. I can work on an approval motion for the board to sign if the board wishes for HW to participate in the lawsuit.
- PIHP Procurement – there are agencies that are preparing if the RFP goes through. This would allow them to make a bid to be the contractor for the central region. I have shared those options before. One is the formation of a RE (regional entity) that will work with the current 5 PIHPs to make a bid for the RFP utilizing the Urban Cooperation Act (UCA). Another is to have the 44 CMHSP band together to form an RE also using the UCA. Lastly, the option proposed by Rehmann as a public/private partnership – where in the public formation of RE would contract with Rehmann to do the MCO functions of the RE.
- CMHA proposed alternative future design of the current system, a redesign in lieu of the RFP. The concern that has been brought up with this is that this seems to conflict with the initial strategy of trying to defeat the RFP, but at the same time supports a redesign of the system.

LRE Level Updates:

- PIHP FY22 Cost settlement for past years. No new update on this currently. The background is earlier this year, the LRE received a memo indicating that MDHHS is owed \$13.7M and withheld \$4.8 million (in escrow) in LRE revenues. The LRE continues to collaborate with their legal team on this.
- LRE is also collaborating with a consultant (Edgewater Consulting) to review the Specialized Residential rates and has completed phase 1 of the work. This involved the gathering of various rates from service claims and doing an initial evaluation of how the various CMHSP approve placement in specialized residential settings. CMHSPs has agreed to continue with the work and the LRE will work with making recommendations to get our rates closer.
- Insurance Provider Assessment (IPA). LRE is continuing to work on this issue with the Provider tax. LRE updated the region that the Dept. of Treasury sent the FY2025 tax bill based on FY23 and not FY24 revenues resulting in \$1M more to the tax bill. According to the LRE they have questioned MDHHS on how they will make the PIHP whole the increased amount they are asking of the CMHSPs.

CMH Level Updates:

- CCBHC Direct payment – HW continues to work on this change in payment system for CCBHCs. HW is preparing and ensuring we have all our processes ready to respond to the changes that MDHHS would like to have in place.
- HW completed the first general session this week on the Disney way customer services training. There were about eighty-five staff that attended. The feedback was positive from the staff that I have talked to so far and some even stated that it was much needed. I want to thank the leadership team and Mary McGhee for being our customer services champion. Our goal is to renew and increase greater emphasis on who we serve our customers.