

**NEXT MEETING: JULY 24, 2025 – 7:00 P.M.**  
**TBHS TRAINING CENTER**  
**129 EAST BURNSIDE STREET, CARO MI**  
**IF UNABLE TO ATTEND CALL: 989.673.6191 OR 1.800.462.6814**

The regular meeting of the Tuscola Behavioral Health System's Board of Directors was called to order by Vice Chairperson McNett on June 26, 2025 at 7:00 pm, at the TBHS Training Center, 129 East Burnside Street, Caro, MI.

<b>BOARD ATTENDANCE:</b>	Bardwell	Present	McNett	Present
	Bruno	Present	Partridge	Present
	Fritz	Present	Ryan	Present
	Griesing	Present	Sherman	Present
	Grimshaw	Present	Snider	Excused
	Harrington	Present		
<b>STAFF ATTENDANCE:</b>	Majeske	Present	Canady	Present
	Dudewicz	Present	Mitchell	Present

**ROLL CALL** taken of Secretary Harrington.

**MEETING OPEN TO THE PUBLIC:** No public in attendance.

**GUESTS:** TBHS staff Susan Holder, Director of Marketing and Training.

**TUSCOLA COMMUNITY CONNECTIONS APP PRESENTATION BY HOLDER:**

Susan Holder, Director of Marketing and Trainings Service provided a presentation on the Tuscola Community Connections App. Questions and answers were addressed during the presentation. Holder left the meeting following the presentation at 7:18 pm.

<b>DATE-NUMBER</b>	<b>BODY</b>	<b>ACTION</b>
<b>APPROVAL OF THE MINUTES:</b>		
June 26, 2025 - - 1	Grimshaw moved and Partridge supported to approve the minutes of the May 22, 2025 meeting as mailed.	
		Motion Carried

**CONTRACTS/AGREEMENTS REVIEWED BY DUDEWICZ:**

June 26, 2025 - - 2	Partridge moved and Griesing supported to approve the Contracts/Agreements listed on the Contract List Sheet(s) dated June 26, 2025 as presented.	
		Motion Carried

## **CONTRACT TERMINATIONS REVIEWED BY DUDEWICZ:**

June 26, 2025 - - 3

Griesing moved and Fritz supported to accept the Contract Terminations as presented on the Contract Termination List dated June 26, 2025.

Motion Carried

## **FINANCIAL STATEMENTS REVIEWED BY DUDEWICZ:**

June 26, 2025 - - 4

Grimshaw moved and Partridge supported placing the Financial Statements on file.

Motion Carried

## **CHIEF EXECUTIVE OFFICER'S REPORT BY MAJESKE:**

- Medicaid/General Fund – The Michigan Department of Health and Human Services (MDHHS) held a rate adjustment meeting with the Pre-Paid Inpatient Health Plans (PIHPs) at the end of May 2025, resulting in rate increases for Medicaid and Healthy Michigan Plan. Based on the adjusted rates, Mid-State Health Network (MSHN) projects an increase of approximately \$35M in FY25 revenues. This would result in a surplus for the current fiscal year of approximately \$11.5M. For Tuscola Behavioral Health Systems (TBHS), this would result in an increase of \$880,129. Please note, funds have not been received as of yet.  
  
MSHN reports anticipating another rate adjustment later this year to cover minimum wage increases, the cost of implementing the Michigan Earned Sick Time Act, and a Certified Community Behavioral Health Center (CCBHC) rate adjustment.
- TBHS Workforce Update – One position has been filled since the May Board Meeting: part-time Community and Residential Support Staff. Currently, TBHS has 11 full-time vacant positions and one part-time position. Recruitment efforts remain ongoing.
- PIHP Procurement Process – As you are aware, MDHHS announced its intention to conduct an open procurement process to replace the existing specialty PIHPs responsible for management and funding of Medicaid behavioral health services starting 10/01/26. The first announcement occurred on 02/28/25 and a subsequent release of initial bid specifications was released on 05/24/25. A copy of the general bid specifications and proposed new regions are included in the Board packet. A review of the initial criteria includes the following specifications for the new PIHPs:
  - Operate exclusively as a payor entity, fully independent from providers
  - Have a non-profit organizing structure
  - Have National Committee for Quality Assurance (NCQA) accreditation
- At present, none of the existing 46 CMHSPs or 10 PIHPs are qualified to bid based on the above criteria.
- Upon further review, it has also been noted that several of the proposed bid requirements are inconsistent or in direct conflict with existing state laws related to the CMHSP system including:



- *The new regions must perform all managed care functions including eligibility and coverage verification, utilization management, network development, contracted network provider training, claims processing, activities to improve health care quality, and fraud prevention activities.* There are no federal requirements mandating this design and the CMHSPs have been providing many of these functions under both Medicaid and General Fund contracts for several decades, including required assessment and planning functions under Mental Health Code (MHC) 330.1206 and provider staff training under 330.1240.
- *Contractors may not directly provide or deliver health care services and may not delegate managed care functions to contracted provider entities.* There are no federal requirements mandating this design and most CMHSPs have always offered both “managed care” and provider functions since before 1997 depending upon the needs of the community and requirements in the General Fund contract. CMHSPs are often the only provider of the service in their geographic area, thus, they need to cover all administrative and provider functions at times.
- *Contractors must establish and maintain governance for the payor entity that is fully independent of and distinct from any providers with which they contract for Medicaid-covered services and must have a separate and distinct board structure that is not shared with any contracted provider entity. The board must prioritize meaningful representation from persons served, recognizing their unique insights and lived experience as vital to guiding governance and ensuring decisions reflect the needs and perspectives of those the payor entity serves.* There are no federal requirements mandating this design and in fact, it directly contradicts the Board composition requirements for CMHSPs and Regional entities in the MHC at 330.1222 and 330.1204b and fails to meet the 1/3 consumer threshold for CMHSPs.
- *Contractors must be considered a nonprofit organization.* There are no federal requirements for this design and most CMHSPs and PIHPS as governmental entities do not have a “non-profit” designation.

The Community Mental Health Association of Michigan (CMHA) and its allies have initiated advocacy efforts in opposition to the PIHP Contract Procurement Proposal, which are included on page 3 of the CMHA Concerns Regarding MDHHS PIHP Contract Procurement Proposal, which is included in the Board packet.

Majeske and Canady to prepare a draft resolution opposing the Michigan Department of Health and Human Services (MDHHS) PIHP Contract Procurement Proposal to present to the board for review at the July meeting.

- **Conflict - Free Access and Planning (CFAP)** – The most recent updated received from MSHN is that MDHHS intends to “synchronize” requirements to implement CFAP with PIHP procurement activities, thus, anticipated to be initiated with the start of FY27 (October 1, 2026). However, as included in last month’s Board report, the National Council for Mental Wellbeing provided feedback to the Centers for Medicare and Medicaid Services (CMS), advocating for removal of CFAP requirements as part of regulatory relief recommendations. There is no further update on the status of this recommendation at the present time.
- **Mental Health Framework** – On 06/12/25, MDHHS announced that it will be shifting to a new Mental Health Framework (MHF), making changes to the Medicaid Health Plan (MHP) payment responsibility for intensive mental health services under the MHF with the FY27 PIHP procurement. Per the announcement, “Under the Mental Health Framework, an enrollee’s level of mental health need, as determined through a State-identified standardized

assessment tool, will more clearly determine which payor – the enrollee's MHP or PIHP – is responsible for their mental health coverage and care. Also, MHPs will begin covering some additional mental health services for enrollees with lower levels of mental health need, so MHPs are accountable for more of these enrollees' continuum of care." In summary, this will shift some responsibilities and funding from the specialty behavioral health system for individuals with mild to moderate mental health issues to the MHPs. MDHHS intends to initiate activities starting in FY26 in support of this change. MHPs will be required to cover services such as crisis stabilization, partial hospitalization, inpatient psychiatric care, and targeted case management for individuals with mild to moderate illnesses. Current providers are being asked to prepare for contracting with both MHPs and PIHPs. These services have historically been the exclusive responsibility of the CMHSP safety net system as detailed in the Michigan Mental Health Code. No details on how these new responsibilities will be funded have been shared at this time.

- Maple Ridge AFC Licensing – On 06/06/25, the Maple Ridge AFC home owned and operated by TBHS had their licensing renewal inspection. The home was found to be in substantial compliance with all AFC licensing rules and regulations. Congratulations to the staff of Maple Ridge on a successful review!

#### **COMMITTEE REPORTS:**

Partridge reported on the Recipient Rights Advisory Meeting that was held on June 4, 2025. Reviewed activity report, incident report, budget, reviewed policies, and discussed the Recipient Rights Conference being held in September 2025.

June 26, 2025 - - 5

Partridge moved and Griesing supported to accept the Recipient Rights Advisory Committee Report as presented.

Motion Carried

The Staff Treatment Monitoring Committee (Partridge, Ryan, and Fritz) met prior to tonight's meeting. Partridge reported on the information presented at the committee meeting.

June 26, 2025 - - 6

Partridge moved and Fritz supported to accept the Staff Treatment Monitoring Committee Report as presented.

Motion Carried

Partridge reported on the CMHA Legislation & Policy Committee meeting that was held on 6/18/2025.

Griesing reported on the CMHA Contract & Financial Issues Committee meeting that was held on 6/20/2025.

#### **BOARD ENDS POLICIES REVIEW:**

Vice Chairperson McNett reviewed each of the Board Ends Policies asking for the Board's comments/suggestions for each policy. No proposed changes or recommendations were presented. Approval of Boards Ends policies will be approved at the July meeting.

#### **OTHER BUSINESS:**

Partridge, McNett, Griesing, and Sherman shared what sessions/topics they found most interesting while attending the CMHA Summer Conference held June 10-11, 2025.



**BOARD'S SELF-EVALUATION:** In compliance.

**JULY MEETING AGENDA ITEMS:** Approval of Ends Policies and Board Self-Assessment form.

**MEETING OPEN TO THE PUBLIC:** No public present.

**NEXT MEETING:** Thursday, July 24, 2025 – 7:00 pm at the TBHS Training Center, 129 East Burnside Street, Caro, MI 48723.

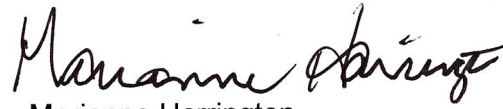
**ADJOURNMENT:** Vice Chairperson McNett adjourned the meeting at 8:32 pm.



Cindy Mitchell  
Recorder



Susan McNett  
Vice Chairperson



Marianne Harrington  
Secretary