

## **Contract & Financial Issues Committee, June 26, 2025, 1:00pm**

### **EDIT Update – Donna Nieman**

Donna reported that the minutes provided were from the April meeting and were discussed at the April CFI meeting. She reported that the H0043 coding difference still needs to be part of the Waiver amendment process – per the Department. Code changes at the bottom of the April minutes have been incorporated into the Code Chart on the Department's website.

### **GF Negotiations – Lisa K. Morse**

Lisa reported that they last met on May 8<sup>th</sup>. The Department still expects CMHs to use Standard Cost Allocation, and the Negotiations team continues to work with them for the discontinuation of this reporting requirement. Lisa then gave a brief update on some cleanup and date changes in the contract regarding other reporting requirements. She also spoke about compliance exam. The draft document had the 'ability to pay' language removed, but it's still not finalized by the Department. She stated that ORR training policies were discussed. Raymie Postema and her team are trying to streamline and combine some policies. Raymie also is working to clarify the internal process regarding appeals, and some language changes regarding Centers and Hospital Directors. She gave updates on NGRI (Not Guilty by Reason of Insanity) and some language changes in the contract on this topic. She suggested that when topics of NGRI and language changes come up at Directors Forum that the CEOs should discuss as opposed to non-interest. She then gave updates on Medical Bills from Facilities. Feedback from the system using the new software was good, but the definition of "care" is still vague. We have requested that this be clarified as saying "mental health and substance use disorder services" – not all services. The invoicing also needs to add some CPT and HCPCS codes to detailed services. Revenue codes are on the bill, so a crosswalk is needed. The group discussed whether or not an opinion from the Attorney General on what "services" should be defined as would be obtained or not. Lisa asked for guidance on how to proceed with this issue as it has been on the table for three to four years. Matt Briggs from Saginaw County CMH has been providing most of the feedback and Lisa wondered if he was satisfied with this issue or if she should continue to seek a medical opinion from the AG, and if the software for invoicing was improved enough to get the results he needed. \*\*EMAIL RECEIVED after meeting from Matt Briggs states: "Additional work is still needed on State Hospital billings and synchronization of their new revenue codes they are billing into the FY25 code book Reporting Requirements that CMHSPs are to follow outlining funding responsibility." Connie Conklin stated that the detail was much better than before. Lisa then spoke about SCA and the fact that Medical Loss Ratio is not a term used for GF or non-Medicaid funds. She stated that administrative functions that CMHs perform are not PIHP functions, so whether or not it's a delegated function or just something the CMHs do anyway becomes the issue. The last item discussed at the Negotiations meeting was the finance language related to the Phase Out. The Negotiations team continues to say that the language needs to be removed, but the Department insists they take their lead from Legislature. The next meeting is July 10<sup>th</sup>.

### **Legislative Update – Alan Bolter**

Alan reported there was no movement on the budget process. The statutory deadline for the budget to be finalized is July 1<sup>st</sup> and that deadline will not be met. The school budget is what the Legislature is focusing on now since their FY begins July 1<sup>st</sup>. He reported the Senate put out their version of a budget back in May, but this was not helpful as it was prior to the Revenue Estimating Conference. Alan stated that the May Revenue Estimating Conference showed approximately \$1 Billion less than was anticipated. With less revenue than was anticipated, and the road funding needs that are likely to be used, the DHHS budget looks to be shorted in some form or another. Alan is hearing that sometime in late July the House will release their version of a budget. Alan stated that a rate adjustment was done recently in the amount of \$160 Million, and these funds are hopefully going to be sent out to our system soon. Matt Berg confirmed that rate adjustment payments were showing up in the June PIHP payments. Bob asked if the Department was recouping and then paying, or if they were making double payments. Matt stated that they are recouping and then paying. They are going to pull back October-May payments and pay those at a higher rate, then pay June through September at a different rate. The June rates came through, and Matt expects the recoup and repay to come in July.

Alan then spoke about federal level potential Medicaid cuts and the One Big Beautiful Bill which could include Medicaid work requirement changes and could increase redetermination for Medicaid from once a year to twice a year. The Senate version of this bill would include an exemption to work requirements for parents with children 14 and older. Alan spoke about provider taxes and the Medicaid funding they provide, as well as the possible changes and gaps that could arise if the Big Beautiful Bill passes.

Alan reported that the State Senate yesterday passed an Opioid Package which the Association supports, as well as an AOT package, and the House has passed a school safety package, but neither chamber is taking up bills that the other has passed, so nothing is being finalized.

### **Funding Issues – Bruce Bridges**

#### **Funding Comparison for FY25 as of May 2025**

Bruce reviewed the funding comparison that was provided to the group in the packet. He asked that the rate adjustment information be sent to him so he can work on June comparisons. He spoke about HSW revenue being treated differently than other revenue sources that came through the capitation process. He reviewed Capitation populations and average rate per month. Bruce then spoke about the DAB population coming in higher than what the actuaries projected, which is surprising. TANF and HMP are both lower than they have been of late, and the HSW continues to fluctuate. Bob Sheehan will send the rate information to Bruce.

Bob Sheehan asked the group if anyone had a sense of what might be causing DAB numbers to stabilize. Brandy Carlson stated that reports are being run to make sure the appropriate type of Medicaid is being used. Connie Conklin reported that they have a new employee who is a former DHHS employee, who can monitor the proper Medicaid enrollment. Connie Cadarette reported they are doing the same with reports and also have a former DHHS employee working for them to help with this.

Other

Board Member Vice Co-Chair needed. Any Board Members interested in filling this position should email Monique Francis at [mfrancis@cmham.org](mailto:mfrancis@cmham.org).

The next meeting of the CFI Committee is scheduled for Thursday, September 18, 2025, at 1:00pm. This meeting will be held via Zoom only.

The meeting was adjourned at the call of the Chair at 1:52pm.