

**Northeast Michigan Community Mental Health Authority Board  
Board Meeting – Strategic Planning Part I – May 8, 2025**

**I. Call to Order**

Chair Eric Lawson called the meeting to order in the Board Room at 3:01 p.m.

**II. Roll Call and Determination of a Quorum**

Present: Bob Adrian, Bonnie Cornelius, Jennifer Graham, Lynnette Grzeskowiak, Dana Labar, Eric Lawson, Kara Bauer LeMonds, Lloyd Peltier, Terry Small

Absent: Lester Buza (Excused), Charlotte Helman (Excused)

Staff & Guests: Connie Cadarette, Mary Crittenden, Rebekah Duhaime, Erin Fletcher, Elizabeth Kowalski, Eric Kurtz, Jason Lepper, Chelsea McConnell, Brooke Paczkowski, Brenda Stanton

**III. Pledge of Allegiance**

Attendees recited the Pledge of Allegiance as a group.

**IV. Appointment of Evaluator**

Lloyd Peltier was appointed as evaluator of the meeting.

**V. Acknowledgement of Conflict of Interest**

No conflicts of interest were acknowledged.

**VI. Information and/or Comments from the Public**

There were no comments from the public.

**VII. Approval of Minutes**

***Moved by Terry Small, supported by Lloyd Peltier, to approve the minutes of the April Board meeting, as presented.*** Motion carried.

**VIII. Financial and Compliance Audit Reports**

Chelsea McConnell, from Straley Lamp & Kraenzlein P.C., presented the financial and compliance statements and opinions. She reported they were pleased to offer an unmodified (“clean”) opinion as of September 30, 2024. No internal control deficiencies were noted from audit procedures. The compliance audit is issued in a separate report and complies with CMH Compliance Examination Guidelines. The Agency was, again, issued an unmodified (“clean”) opinion. The current liquidity ratio, which measures the ability to pay short-term obligations, was at 1.73 for 2024, up from 1.64 in 2023. The number of days of expenses in unrestricted net position was at 31 days in 2024, up from 29 days in 2023, showing stability. Chelsea praised the ease of working with Connie and her staff.

**IX. Environmental Scan**

Eric Kurtz, Northern Michigan Regional Entity (NMRE) CEO, provided a brief overview of the NMRE, which was a creation of Michigan’s Mental Health Code and the 21 counties in Region 2 and is comprised of five CMHSPs. The NMRE serves as the prepaid inpatient health plan (PIHP), which is a managed care entity. They receive the State’s funding and contracts for behavioral health services, ensure compliance and network adequacy, and manage SUD funding for Medicaid. Funding sources include Medicaid (\$212 million), Medicaid specifically for SUD (\$18 million), block grants for SUD (\$5.5 million), and liquor tax funds (\$1.9 million). The NMRE has a savings corridor of about \$20.5 million, which will have to be tapped into this year.

He reviewed items of note for the future including revenue fluctuations, federal Medicaid cuts, the mental health framework, PIHP contract negotiations, the PIHP bid out, the lack of State hospital beds, and Conflict Free Access and Planning (CFAP). Some regional goals include continuing to advance marketing and advocacy

efforts regarding rural initiatives, leaning heavily on regional legislators related to funding and the bid out, maintaining 100% performance on MDHHS performance incentives, and increasing focus on utilization management/managed care guidelines.

**X. Consent Agenda: Merit**

Board members received a consent agenda as a handout for the Merit contract.

***Moved by Bob Adrian, supported by Kara Bauer LeMonds, to approve the May Consent Agenda, as presented.*** Motion carried.

**XI. May Monitoring Reports**

**1. Budgeting 01-004**

Connie Cadarette reported on the Statement of Revenue and Expense and Change in Net Position for the month ending March 31, 2025, with 50% of the year elapsed. Line items with larger variances will be monitored for budget adjustments. Medicaid was underspent by \$31,232 and Healthy Michigan was overspent by \$130,841, for a total due to the NMRE of \$99,609. General Funds were overspent by \$122,243. Nena and the Board congratulated Connie on an excellent audit.

**2. Treatment of Individuals Served 01-002**

Liz Kowalski introduced herself as the new Recipient Rights Officer. She worked with Ruth Hewett for three years before her retirement and it was a smooth transition. Kara and Lynnette reported Liz jumped right in and did a great job. The quarterly reports show that everything is on par with previous years.

***Moved by Lloyd Peltier, supported by Terry Small, to approve the May Monitoring Reports.*** Motion carried.

**XII. Board Policies Review and Self-Evaluation**

**1. Board Job Description 02-003**

The Board reviewed the policy and agreed they are following it appropriately.

**2. Board Core Values 02-014**

The Board reviewed the policy and agreed they were faithfully executing it.

**XIII. Linkage Reports**

**1. NMRE Board**

Dana Labar accepted Eric Lawson's appointment to the NMRE Board. The NMRE Board meeting included discussion of the State's bidding out of the PIHPs.

**XIV. Operations Report**

Mary Crittenden reported on operations for the month of April. The Agency was closed for two days due to the ice storm and there were a lot of cancellations that week and into the following week due to people being without power. Access had 31 routine requests for services, and there were 26 crisis contacts and 27 preadmission screens. 15 individuals were placed inpatient (2 children and 13 adults). Peer support served 54 individuals (6 children and 48 adults). The total of unduplicated individuals served in April was 957.

**XV. Board Chair's Report**

**1. Strategic Planning: Next Steps**

Eric asked that Board members hold onto the environmental scan for reference in the coming months. Advisory Council members will join the Board at their June meeting to review the current Strategic Plan.

**2. CMHA 2025 Summer Conference**

Bonnie and Lloyd will attend and will be voting delegates at Monday's meeting.

**XVI. Executive Director's Report**

Nena reported on her activities for the month, including attending her regular meetings. The Agency held a presentation on MiABLE and asset protection that was well-attended. A group home had a licensing review, and all the group homes gathered for a Cinco de Mayo party. Nena shared her cost containment plan for the Agency, which includes closing a group home, decreasing overtime, managing high-cost residential placements, and reviewing discretionary spending, among others. When Connie and Nena built the budget, they included a 1.25% cost of living adjustment (COLA) for salaries, which has not yet taken effect. Management Team asked that the Board approve an additional 0.75% for staff for a total of a 2% COLA that would be retroactive to the beginning of FY25. COLAs were discussed at the NMRE Operations Meeting and all the directors agreed they are necessary as a part of good business, with amounts ranging from 2-3.5%.

***Moved by Dana Labar, supported by Kara Bauer LeMonds, to approve a 0.75% increase in the COLA. Roll Call: Ayes: Bob Adrian, Bonnie Cornelius, Jennifer Graham, Lynnette Grzeskowiak, Dana Labar, Eric Lawson, Kara Bauer LeMonds, Lloyd Peltier, Terry Small; Nays: None; Absent: Les Buza, Charlotte Helman. Motion carried.***

Due to issues with licensing, the Agency will not be able to increase the number of beds in one of the two group homes in Alcona County, but fully staffing both homes is an ongoing struggle, causing hundreds of hours of overtime in each home every month. One group home will be closed, but most, if not all, staff should be able to be retained in the county. While Nena had originally wanted to keep the second group home as an office for Alcona County, it would not be feasible at this time.

Nena announced Mary Crittenden's resignation, with her last day as COO being Friday, June 13.

**XVII. Information and/or Comments from the Public**

None were presented.

**XVIII. Information and/or Comments for the Good of the Organization**

Dana discussed the Protect Medicaid project.

**XIX. Next Meeting**

The next meeting of the NeMCMHA Board is scheduled for Thursday, June 12, 2025, at 3:00 p.m.

**1. June Agenda Items**

The proposed June agenda items were reviewed.

**XX. Meeting Evaluation**

Lloyd reported he was impressed with the financial and compliance audits, and Eric Kurtz gave a great presentation. He felt everyone had an opportunity to contribute to conversation, and Eric Lawson always strives to have good communication. He encouraged everyone to attend the summer board conference.

**XXI. Adjournment**

***Moved by Lloyd Peltier, supported by Bonnie Cornelius, to adjourn the meeting.*** Motion carried. This meeting adjourned at 4:59 p.m.

*[signed by Bonnie Cornelius June 12, 2025]*

Bonnie Cornelius, Secretary

*[signed by Eric Lawson June 12, 2025]*

Eric Lawson, Chair