
Meeting Agenda
BOARD OF DIRECTORS
Lakeshore Regional Entity
February 26, 2025 – 1:00 PM
GVSU Muskegon Innovation Hub
200 Viridian Dr, Muskegon, MI 49440

1. Welcome and Introductions – Ms. Gardner
2. Roll Call/Conflict of Interest Question – Ms. Gardner
3. Public Comment (Limited to agenda items only)
4. Consent Items:
Suggested Motion: To approve by consent the following items.
 - February 26, 2025, Board of Directors meeting agenda (*Attachment 1*)
 - December 18, 2024, Board of Directors meeting minutes (*Attachment 2*)
 - December 18, 2024, Board of Directors closed session meeting minutes – Closed session meeting minutes will be handed out to Board Members.
 - February 6, 2025, Board of Directors meeting minutes (*Attachment 3*)
5. Reports –
 - a. CEO – Ms. Marlatt-Dumas (*Attachment 4*)
 - i. FY25 MDHHS/PIHP Contract Update
 - ii. MDHHS Cost Settlement Update
 - b. LRE Leadership – (*Attachment 5*)
 - i. LRE Compliance Plan
6. Chairperson’s Report – Ms. Gardner (*Attachments 6, 7*)
 - a. February 3, 2025, Executive Committee
 - b. February 19, 2025, Executive Committee
7. Action Items –
 - a. 2025 LRE Corporate Compliance Plan
Suggested Motion: To approve the 2025 Corporate Compliance Plan as presented.
 - b. 2025 LRE Utilization Management Plan
Suggested Motion: To approve the 2025 Utilization Management Plan as presented.
 - c. Governance Policies (*Attachment 8, 9*)
Suggested Motion: To approve the LRE Board Governance Policies:
 - ii. 10.6 Open Meetings Act
 - iii. 10.13 Communication and Counsel to the Board of Directors
 - d. Our Hope Association Grant Contract (*Attachment 10*)
Suggested Motion: To approve the Our Hope Association Contract

8. Financial Report and Funding Distribution – Ms. Chick (*Attachment 11*)
 - a. FY2025, December and January Funds Distribution (*Attachment 12, 13*)
Suggested Motion: To approve the FY2025, December and January Funds Distribution as presented.
 - b. LRE Budget Amendment #1 (*Attachment 14*)
Suggested Motion: To approve FY2025 Budget Amendment #1
 - c. Statement of Activities as of 12/31/2024 with Variance Reports (*Attachment 15*)
 - d. Monthly FSR (*Attachment 16*)
9. CEO Evaluation
10. Board Member Comments
11. Public Comment
12. Upcoming LRE Meetings
 - March 13, 2025 – Community Advisory Panel, 1:00 PM
 - March 19, 2025 – Executive Committee, 1:00PM
 - March 26,2025 – LRE Executive Board Work Session, 11:00 AM
GVSU, Muskegon Innovation Hub, 200 Viridian Dr, Muskegon, MI 49440
 - March 26, 2025 – LRE Executive Board Meeting, 1:00 PM
GVSU, Muskegon Innovation Hub, 200 Viridian Dr, Muskegon, MI 49440

Meeting Minutes
BOARD OF DIRECTORS

Lakeshore Regional Entity
December 18, 2024 – 1:00 PM

GVSU Muskegon Innovation Hub, 200 Viridian Dr, Muskegon, MI 49440

WELCOME AND INTRODUCTIONS – Ms. Gardner

Ms. Gardner called the December 18, 2024, LRE Board meeting to order at 1:01 PM.

ROLL CALL/CONFLICT OF INTEREST QUESTION – Ms. Gardner

In Attendance: Ron Bacon, Jon Campbell, Patricia Gardner, Janice Hilleary, Sara Hogan, Alice Kelsey, O’Nealya Gronstal, Dave Parnin, Stan Stek, Jim Storey, Janet Thomas, Craig Van Beek

Online: Richard Kanten

Absent: Linda Dunmore, Andrew Sebolt

PUBLIC COMMENT

CONSENT ITEMS:

LRE 24-53 Motion: To approve by consent the following items.

- December 18, 2024, Board of Directors meeting agenda
- November 20, 2024, Board of Directors meeting minutes

Moved: Ron Bacon Support: Janice Hilleary

MOTION CARRIED

COMMUNITY ADVISORY PANEL

Minutes are included in the packet for information.

MDHHS/PIHP CONTRACT DISCUSSION

LRE 24-54 Motion: To approve entering into closed session to discuss two confidential written legal opinions prepared by counsel that are subject to the attorney client privilege and relate to the litigation pending in the Court of Claims, Case No. 24-000198-MZ as well as issues related to a dispute with MDHHS involving historic cost settlement.

Mr. Stek clarifies pursuant to the applicable case that any discussion in closed session must be specifically limited to discussion of attorney client privilege.

Moved: Janet Thomas Support: Ron Bacon

ROLL CALL VOTE
MOTION CARRIED

LRE 24-55 Motion: To approve moving out of closed session

Moved: Craig Van Beek Support: Stan Stek

ROLL CALL VOTE
MOTION CARRIED

Mr. Stek would request before the Board considers potential retention of counsel that counsel submit a statement of potential conflict, how any potential conflict will be addressed and a request, if necessary, for a waiver of conflict. If the Board moves forward, retaining Taft (Greg Moore) a fee allocation agreement should also be provided. When counsel represents multiple parties, this will clarify what will happen if parties do not agree. Ms. Gardner, as Chairperson, agrees with Mr. Stek and requests that information be provided in writing for the LRE Board to review and consider during the January 22, 2025, meeting.

The purpose of this information is beneficial when counsel represents multiple plaintiffs in one litigation. There is a possibility that the interest of one plaintiff does not align entirely with the interest of another plaintiff. It is difficult knowing this going into litigation but is important for representing counsel to assess the potential of this happening prior to litigation, what is the risk and how to address. This is standard in multiple plaintiff litigations.

LEADERSHIP BOARD REPORTS

a. CEO Report – Ms. Marlatt-Dumas

The CEO report is included in the Board packet for information.

- Congratulations to Jordan Siemon on winning the Nick Filonow Award of Excellence.
- All 5 CMHs have signed the PIHP/CMHSP contract. The risk language will continue to be worked on.
- LRE/N180 have signed a contract with CHRT to analyze Utilization Management.
- MDHHS continues to limit the number of HAB Waiver packets (5) allowed to be submitted at one time. We are pushing back as this may cause us to lose revenue in the future.
- LRE has received the final report for the Waiver audit. LRE did well and on repeat citations performance scores are higher.
- LRE is working within the region to develop a policy around AI.
- LRE Lawsuit/Cost Settlement – If the region does not move on the suite there is concern that if the region must pay back the \$13.7 million along with the current deficit that will have to be addressed, reserve funds will be depleted. If the funds

are depleted this year LRE will be unable to pay down CMH deficits in the upcoming fiscal year if spending plans do not come in line. The LRE CEO will move in the direction that the Board directs.

- PIHP lawsuit – spoke with the CMH CEOs and they do not believe signing the contract is in the best interest of the region. The PIHPs continue to ask MDHHS to come back to the table for further negotiations.

b. LRE Leadership Report – Ione Myers

- Included in the packet for information.

CHAIRPERSON’S REPORT

December 11, 2024, Executive Committee meeting minutes are included in the packet for information.

- Ms. Gardner reports that the primary discussion was regarding the lawsuits and what should be the recommendation moving forward. The consensus was to have Ms. Marlatt-Dumas continue negotiations with the state. The Executive Committee would like to thank Ms. Marlatt-Dumas for continuing the negotiations with MDHHS and fostering a good relationship with Ms. Kristen Jordan.
- The LRE legal counsel recommendation is to move forward with the lawsuits, but the LRE Board Chair is recommending prior to considering joining we review a resolution of conflict from legal as earlier recommended by Mr. Stek. At present there does not seem to be any benefit for our region to join the lawsuit. Ms. Gardner comments that there is strength in having three in the lawsuit with two not having joined as this enables negotiations with the state without prejudice of being part of the suit. Mr. Bill Ward (CEO, N180) and Mr. Stek are meeting with Winnie Brinks to discuss this issue and will request that the senate majority leader discuss with Ms. Hertel, MDHHS to come back to the table for further negotiations. The position of Ms. Gardner and the Executive Committee are to stay the course and continue negotiations.
- On the issue of the LRE suing the state due to the \$13.7 million, Ms. Gardner recommends that the strongest position would be to wait to see if the state moves forward after which the LRE Board can meet either at a special meeting or the next scheduled meeting to approve moving forward with a TRO.

CEO EVALUATION TIMELINE

The timeline is attached for information.

ACTION ITEMS

LRE 24-56 Motion: To approve the FY 2025 contract with ReFocus LLC.

Moved: Ron Bacon Support: Janice Hilleary
MOTION CARRIED

FINANCIAL REPORT AND FUNDING DISTRIBUTION

CFO Report is included in the Board packet for information.

FY2025 November Funds Distribution

LRE 24-57 Motion: To approve the FY2025, November Funds Distribution as presented.

Moved: Jon Campbell Support: Ron Bacon
MOTION CARRIED

Statement of Activities as of 10/31/2024 with Variance Report-

Included in the Board packet for information.

- This is the first month of the new fiscal year so will not be an accurate indicator of the year. There will be an amendment adjusting revenue amounts because these are based on our preliminary amounts prior to receiving the MDHHS' final rates.

Monthly FSR-

Included in the Board packet for information.

BOARD MEMBER COMMENTS

- Mr. Campbell asks what is the process if the state recoups the \$13.7 million back?
 - Historically the state has withheld from a payment but does not necessarily tell us when or how they will withhold the funds. Currently, MDHHS has not communicated how those funds will be taken back. LRE did ask legal if we should ask for clarification of the recoupment process. Ms. Chick recommends asking the state for clarification, so we have it in writing. So far MDHHS have not been very responsive to questions.

Mr. Campbell agrees with the recommendation to speak with the senate majority leader and also supports coordinating a meeting with the Executive Committee and legislators from all the counties as there is strength in numbers to apply political pressure.

- Ms. Gronstal asks if the legislatures are aware of the situation.
 - Unsure but the probability is more than likely no.
- Ms. Gardner would like to thank the Board members as they could focus on other activities but are faithful to coming to the Board meetings and advocacy for individuals and wishes the best for the holiday season.

- Mr. Storey concurs with Mr. Campbells statements. Would like to note that this is appropriate and would hope that it is effective to meet with the senate majority leader there will be new leadership in the house beginning January 1, 2025.
- Ms. Hogan encourages people to ask questions about the stability of the provider network and that the risk is not transferred down to the providers.

UPCOMING LRE MEETINGS

- January 15, 2025 – Executive Committee, 1:00PM
- January 22,2025 – LRE Executive Board Work Session, 11:00 AM
GVSU, Muskegon Innovation Hub, 200 Viridian Dr, Muskegon, MI 49440
- January 22, 2025 – LRE Executive Board Meeting, 1:00 PM
GVSU, Muskegon Innovation Hub, 200 Viridian Dr, Muskegon, MI 49440

ADJOURN

Ms. Gardner adjourned the December 18, 2024, LRE Board of Directors meeting at 2:43 PM.

Ron Bacon, Board Secretary

Minutes respectfully submitted by:
Marion Moran, Executive Assistant

Meeting Minutes
BOARD OF DIRECTORS

Lakeshore Regional Entity
February 6, 2025 – 2:00 PM

GVSU Muskegon Innovation Hub, 200 Viridian Dr, Muskegon, MI 49440

WELCOME AND INTRODUCTIONS – Ms. Gardner

Ms. Gardner called the February 6, 2025, LRE Board meeting to order at 2:03 PM.

ROLL CALL/CONFLICT OF INTEREST QUESTION – Ms. Gardner

In Attendance: Ron Bacon, Jon Campbell, Patricia Gardner, Sara Hogan, Richard Kanten, Alice Kelsey, O’Nealya Gronstal, Andrew Sebolt, Stan Stek, Jim Storey, Janet Thomas, Craig Van Beek

Absent: Linda Dunmore, Janice Hilleary, Dave Parnin

PUBLIC COMMENT

CONSENT ITEMS:

LRE 24-58 Motion: To approve by consent the following items.

- February 6, 2025, Board of Directors meeting agenda

Moved: Andrew Sebolt Support: Ron Bacon

MOTION CARRIED

MDHHS/PIHP COST SETTLEMENT DISCUSSION

Ms. Gardner reports that MDHHS has sent an email to LRE communicating that they intend to recoup the cost settlement amount of \$13.7 million beginning on February 13, 2025. After the notification, the LRE Board Chair was contacted who then recommended an emergency Executive Committee (EC) meeting be called. During the Emergency EC meeting there was consensus that an emergency Board meeting be called. At the request of the EC Chris Ryan, Taft Law is in attendance.

LRE has performed the following actions in an attempt to complete the cost settlement correctly: 1) followed the states template and formulas for reporting on the FSR workbook, 2) used RPC, outside auditing firm to confirm that the formula used was appropriate and 3) followed the direction of the court order under Judge Shapiro. LRE maintains that we are within the parameters of the final judgement and MDHHS’ original direction. The final order stated that LRE was allowed to use extra revenues to pay the historical deficit. LRE used the extra revenues to pay the deficit (\$29.3 million), then funded the regional ISF and Savings after which there

were no excess funds to send back to MDHHS. The state is now saying that LRE should have fully funded the ISF, sent back any extra funds after funding the ISF/Savings and then taken the funds out of the regional ISF to pay the historical deficit. This is how MDHHS has come to \$13.7 million. Ms. Marlatt-Dumas is asking the Board for what direction to move forward. Mr. Ryan is present to give the Board options that are available.

The options that are available are as follows:

1. LRE could do nothing.
2. File a lawsuit asking for a declaration that MDHHS is not allowed to recoup \$13.7 million and for breach of contract related to the threat or having done so on February 13. MDHHS has also cost settled the years out of order which has resulted in \$4 million not being returned to LRE for FY18-19. The recommendation from legal counsel would be to include having MDHHS cost settle the years in the correct order in the complaint.
3. Can move for injunctive relief if there is immediate irreparable harm that impacts services.

Mr. Ryan informs that Board that he is also representing 4 other PIHPs in a lawsuit against MDHHS that has overlap. One of those areas of overlap would be the language in the FY25 Contract stating that only 7.5% can be put into the ISF in any given year and cannot exceed that amount. Neither of these restrictions apply to the current contracts but if it does it does not apply to federal regulations. Legal counsel would recommend including the ISF contract issue in the LRE complaint. Mr. Ryan explains that he does not believe there is a reasonable likelihood of conflict between his representation of the PIHPs lawsuit and LRE's lawsuit because the positions are identical.

Because of the lawsuit that Mr. Ryan currently represents, there has been a significant amount of communication with the AG, and he recommends prior to filing a motion having a discussion with them about holding recoupment of the \$13.7 million pending the court's review.

Ms. Marlatt-Dumas met with Kristen Morningstar during which she asked if MDHHS would be willing to hold off on the recoupment until after court review. Her reply was that this had already been discussed internally and ruled that the funds would be recouped as planned without further discussion. There does not seem to be any initiative further up the chain of command to discuss this issue further. Mr. Ryan's positive relationship with the AG is in LRE's favor and could be a beneficial option.

If the TRO and negotiations with the AG are unsuccessful the funds will be recouped before this can go to court. The first payment is due to come out on February 13 in est. amount of \$4.8 million, the next amount will also be est. \$4 million, and the third recoupment will be the remaining balance.

Factors that a court will look at before granting a TRO or preliminary injunction:

1. Most important component to prove is irreparable harm, or harm that cannot be cured by money damages, such as interruption of services for individuals. The court may believe

that the region will ultimately win but it will not disrupt services immediately because of recoupment.

2. Likelihood of success on the merits or does the court believe you will prevail on the overall case.

Mr. Stek would urge the LRE CEO to continue to engage with MDHHS prior to filing a lawsuit to explore every possible opportunity to negotiate. Ms. Marlatt-Dumas explains that if the Board authorizes a lawsuit she will try to meet and discuss with MDHHS prior to filing. Mr. Ryan will contact the AG office to explain LRE's position and that there has been authorization to move forward with legal action from the Board and ask: 1) Agree to a standstill and try to work through the dispute prior to filing the lawsuit, 2) Agree to a standstill, file the lawsuit and wait for the outcome or 3) Not agree to anything and move forward with the lawsuit. This conversation with the AG is Mr. Ryan's recommendation.

LRE 24-59 Motion: The LRE BOD authorizes the LRE CEO to engage Taft to commence legal proceedings in the Court of Claims related to the State/MDHHS's position on FY22 Cost Settlement and related issues, including MDHHS's prior withholding of payments under the FY24 Contract in satisfaction of FY18/19 Cost Settlement.

Moved: Janet Thomas Support: Craig Van Beek

Mr. Stek agrees with the motion as written with the understanding that every effort will be taken by the LRE CEO to engage in resolving the conflict prior to filing the lawsuit. Mr. Ryan also explains that because of some overlap with the PIHP contract lawsuit there is a conflict of interest (COI) statement from Taft included in the service contract. The contract is brought up, read and agreed that the COI language is sufficient by Board members. Mr. Ryan also explains that the cost will depend on the amount of time and work involved.

ROLL CALL VOTE
MOTION CARRIED

BOARD MEMBER COMMENTS

NA

PUBLIC COMMENT

Michael Brashears, CEO, Ottawa CMH, would like to thank the Board for looking out for the individuals we serve and placing them first. He hopes this action is unnecessary and hopes it can be avoided but it is good to know we are represented by a Board that will ensure services continue.

Jacquie Johnson, CEO, Thresholds, would like to thank the LRE Board for their support of this region. It means so much to the providers to see the action being taken and being done so thoughtfully and timely. Second, if as a provider there is anything that can be done to help, they

would be willing to supply any information needed, such as stories of potential irreparable harm to individuals.

UPCOMING LRE MEETINGS

- February 26,2025 – LRE Executive Board Work Session, 11:00 AM
GVSU, Muskegon Innovation Hub, 200 Viridian Dr, Muskegon, MI 49440
- February 26, 2025 – LRE Executive Board Meeting, 1:00 PM
GVSU, Muskegon Innovation Hub, 200 Viridian Dr, Muskegon, MI 49440

ADJOURN

Ms. Gardner adjourned the February 6, 2025, LRE Board of Directors meeting at 2:41 PM.

Ron Bacon, Board Secretary

Minutes respectfully submitted by:
Marion Moran, Executive Assistant



FY25 CORPORATE COMPLIANCE PLAN

October 2024

Prepared by LRE Compliance Officer: January 7, 2025
Reviewed by LRE Compliance ROAT: January 28, 2025
Reviewed by LRE Executive Team: January 23, 2025
Reviewed by LRE Operations Council: October XX, 2024
Reviewed and Approved by LRE Board of Directors: February 26, 2025
Distributed by LRE: February XX, 2025

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ORGANIZATIONAL STRUCTURE

The Lakeshore Regional Entity (LRE) serves as the Medicaid Prepaid Inpatient Health Plan (PIHP) for the following seven county region:

Allegan County: OnPoint (Allegan County Community Mental Health Services)

Kent County: Network 180 (Kent County CMH Authority)

Lake County: West Michigan Community Mental Health System

Mason County: West Michigan Community Mental Health System

Muskegon County: HealthWest

Oceana County: West Michigan Community Mental Health System

Ottawa County: Community Mental Health of Ottawa County

The Member Community Mental Health Service Programs (Member CMHSPs) have elected to configure LRE under the Michigan Mental Health Code Section 3301.1204b.

The Michigan Department of Health and Human Services (MDHHS) also refers to LRE as Region 3.

LRE as the PIHP

LRE serves as the Medicaid PIHP for the region with authority and accountability for operations and fulfillment of applicable federal and state statutory, regulatory, and contractual obligations related to the applicable waiver(s) and MDHHS contract(s). The role of LRE as the PIHP is defined in federal statute, specifically 42 CFR § 438 and the Fiscal Year 2025 (FY25) MDHHS/PIHP Contract.

LRE contracts with MDHHS for The Medicaid Managed Specialty Supports and Services 1115 Demonstration Waiver, 1915 (c)/(i) Waiver Program(s), the Healthy Michigan Program, the Flint 1115 Waiver and Substance Use Disorder Community Grant Programs

LRE: MISSION and VALUES

MISSION:

Through regional support and leadership for collaboration and innovation, LRE works to strengthen the public behavioral health system and ensure excellence in services.

VALUES:

- **Local Solutions – Value Local Differences:** We value locally unique service systems that are responsive to local needs, partnerships, and available resources.
- **Fiscal Responsibility – Accountable and Responsible with funds:** Transparent and accountable use of public funds. Maximize available resources.
- **Collaborative Relationships – Foster Effective Partnerships:** Nurture collaboration based on mutual trust and shared commitment to quality. Approach all interactions with respect, openness, and a commitment to proactively resolve conflict.
- **Innovation – Boldly Pursue Excellence:** Pursue audacious goals by challenging the status quo and trying new things. Actively work to identify and support opportunities for innovation.

OVERVIEW OF LRE’S CORPORATE COMPLIANCE PLAN AND PROGRAM

SCOPE OF LRE CORPORATE COMPLIANCE PLAN

The LRE Corporate Compliance Plan is a high-level overview of the LRE Corporate Compliance Program that outlines LRE’s commitment to ensuring compliance with the applicable federal and state statutory, regulatory, and contractual requirements.

All LRE staff, Member CMSHPs, and Network Providers are required to comply with all applicable federal and state statutory, regulatory, and contractual requirements including but not limited to those specifically addressed in the LRE Corporate Compliance Plan.

To the extent that the LRE Corporate Compliance Plan conflicts with, or misstates any applicable regulation, statutes or contractual requirements the regulation, statutes, and/or contractual requirements control(s).

PURPOSE OF LRE CORPORATE COMPLIANCE PROGRAM

The purpose of the LRE Corporate Compliance Program is to

1. Encourage the highest level of ethical and legal behavior from all LRE staff and Board of Directors.
2. Educate all LRE staff, LRE Board of Directors, and stakeholders on their responsibilities and obligations to comply with applicable federal, state, and local laws.
3. Communicate to all LRE staff, LRE Board of Directors, Member CMSHPs, and Network Providers, and stakeholders LRE's Corporate Compliance Program structure to promote understanding and encourage communication.
4. Minimize organizational risk and improve compliance with applicable federal and state statutory, regulatory, and contractual requirements; service provision; documentation standards; and Medicaid coding and billing requirements.
5. Maintain adequate internal controls throughout Region 3.
6. Provide oversight and monitor functions to reduce the possibility of misconduct, and violations through prevention and early detection and minimize exposure to civil and criminal sanctions as well as non-compliance with applicable federal and state statutory, regulatory, and contractual requirements; service provision; documentation standards; and Medicaid coding and billing requirements.
7. Promote a clear commitment to compliance by taking actions and showing good faith efforts to uphold applicable federal regulations, state statutes, and contractual requirements.

APPLICATION OF LRE CORPORATE COMPLIANCE PLAN

As a regional PIHP, the LRE Corporate Compliance Plan is intended to provide the framework for the LRE to comply with all applicable laws, regulations, contracts, and program requirements. It is the LRE's intent that all its compliance policies and procedures should promote integrity, support objectivity, and foster trust throughout the service region. The LRE Corporate Compliance Plan applies to all LRE day-to-day activities, including those activities that come within Federal and State oversight of PIHPs.

LRE staff are subject to the requirements of the LRE Corporate Compliance Plan as a condition of employment. All LRE staff are required to fulfill their duties in accordance with the LRE Corporate Compliance Plan, LRE policies, and LRE procedures to promote and protect the integrity of LRE. Failure to do so will result in disciplinary action, up to and including termination of employment depending on the egregiousness of the offense. Disciplinary action may also be taken against a supervisory staff member, who directs or approves a staff's improper conduct, is aware of the improper conduct, and does not act appropriately to correct it, or who fails to properly exercise appropriate supervision over a staff member.

LRE, directly and indirectly, through its Member CMHSPs, contracts services for adults and children with mental illness, developmental disabilities, and co-occurring mental health and substance abuse disorders within its seven counties (Allegan, Kent, Lake, Mason, Muskegon, Oceana, and Ottawa counties).

The LRE Corporate Compliance Plan applies to Member CMHSPs and Network Providers receiving payment through LRE and/or through the PIHP managed care functions. All Member CMHSPs and Network Providers, including their officers, employees, contractors, servants, and agents, are subject to the requirements of LRE Corporate Compliance Plan as applicable to them and as stated within the applicable contracts. Failure to follow the LRE Corporate Compliance Plan and cooperate with the LRE Corporate Compliance Program will result in corrective action plans, remediation, and contract action, if needed.

The LRE Corporate Compliance Plan, standards, policies and procedures included or referenced herein are not exhaustive or all inclusive. All LRE staff, Member CMHSPs, and Network Providers are required to comply with all applicable laws, rules and regulations including those that are not specifically addressed in the LRE Corporate Compliance Plan.

LRE CORPORATE COMPLIANCE PROGRAM ELEMENTS

LRE's Corporate Compliance Program is comprised of the eight elements as provided by the Office of Inspector General.¹

Element 1 - Written Policies, Procedures, and Codes of Conduct – The development, distribution, and enforcement of written policies, procedures, and codes of conduct that promote the LRE's commitment to full compliance with applicable federal and state statutory, regulatory, and contractual obligations that are accessible and applicable to all LRE Staff. These policies, procedures, and codes of conduct incorporate the culture of compliance into our day-to-day operations and address specific areas of potential fraud, waste, and abuse. LRE also maintains its policies, procedures, and codes of conduct through annual review.

See LRE Policies or Procedures:

- [Policies and Procedures - Lakeshore Regional Entity \(lsre.org\)](#)
- [1.1-Conflict-of-Interest-Dec2021.pdf \(lsre.org\)](#)
- [1.1a-Conflict-of-Interest Procedure](#)
- [1.3-Policy-Promulgation-Policy-Jan2023.pdf \(lsre.org\)](#)
- [1.3a-Policy-Promulgation-Jan2023.pdf \(lsre.org\)](#)
- [1.3b-Annual-Policy-Review.pdf \(lsre.org\)](#)
- [8.01 Code of Ethics-Sept2018.pdf \(lsre.org\)](#)
- LRE Policy 9.X – Code of Conduct

¹ U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES OFFICE OF INSPECTOR GENERAL, General Compliance Program Guidance, November 2023, [HHS-OIG General Compliance Program Guidance | November 2023](#) (last visited April 9, 2024).

[10.5-Code-of-Conduct-Final-2021.pdf \(Isre.org\)](#)
[Code-of-Conduct-Distribution-and-Training-Procedure-Clean-20230721.pdf \(Isre.org\)](#)

Element 2 - Compliance Leadership and Oversight – The designation of a Compliance Officer and a Compliance Oversight Committee that is charged with the responsibility and authority of operating and monitoring the Corporate Compliance Program to make sure that it is implemented, monitored, and revised, as appropriate in an effective manner. (See “STRUCTURE OF LRE CORPORATE COMPLIANCE PROGRAM,” Sections LRE Compliance Officer and LRE Compliance Oversight Committee, pp. 9-11.)

See LRE Policies or Procedures: [9.1-CC-Plan-20230721.pdf \(Isre.org\)](#)
[Compliance-Auditing-and-Monitoring-Procedure-Clean-Reviewed-20230721.pdf \(Isre.org\)](#)
[Compliance-Oversight-Committee-Procedure-CLEAN-20230721.pdf \(Isre.org\)](#)

Element 3 - Compliance Training and Education – The development and implementation of appropriately tailored training programs and education for all LRE Staff and LRE Board of Directors. LRE ensures new LRE staff and LRE Board of Directors members receive LRE’s Corporate Compliance Program training at orientation or within thirty (30) days of employment or appointment, respectively. LRE ensures all LRE staff and the LRE Board of Directors receive annual compliance training and, as necessary, other periodic training. LRE also ensures LRE staff complete the required annual trainings in a timely manner as prescribed by LRE. Training is a condition of employment and failure to comply will result in appropriate disciplinary action.

LRE requires the following mandatory, minimum trainings for LRE staff, with the corresponding training timelines:

Training Name	Initial Training	Ongoing Training
Corporate Compliance	Within 30 days of Hire	Annually
Cultural Competence	Within 30 days of Hire	Annually
HIPAA	Within 30 days of Hire	Annually
Limited English Proficiency	Within 30 days of Hire	Annually
Recipient Rights	Within 30 days of Hire	Annually
LRE Enhanced Privacy Training	Within 30 days of Hire	Annually

Member CMHSPs and Network Providers are required to comply with the MDHHS training requirements. If you are a Network Provider, please review your contract or contact your contracting Member CMHSP(s) and inquire if any additional trainings are required based on service types rendered, etc.

See LRE Policies or Procedures: [8.08 Training Development-Sept2016.pdf \(Isre.org\)](#)
[Human Resources - Lakeshore Regional Entity \(Isre.org\)](#)

Element 4 - Effective Lines of Communication with Compliance Officer and Disclosure Programs

– The regular education of all LRE Staff, Member CMHSPs, and Network Providers of how to contact the LRE Compliance Officer. The development of writing policies and procedures regarding confidentiality (anonymity of complainants) and nonretaliation policies when reporting instances of noncompliance, including but not limited to fraud, waste, and abuse. The use of efficient and trusted mechanisms where all LRE Staff, Member CMHSPs, and Network Providers can contact the Compliance Officer through a hotline to receive complaints. LRE utilizes the following mechanism for receiving complaints:

1. LRE Telephone Hot Line – Suspected compliance violations or questions can be made to a toll-free hot line. The number is 1-800-420-3592 and includes confidential voice mail.
2. LRE Electronic Mail (E-Mail) – Suspected compliance violations or questions can be sent electronically via e-mail to the Compliance Officer at compliance@lsre.org.
3. Mail Delivery – Suspected compliance violations or questions can be mailed to:

LRE Compliance Officer
Lakeshore Regional Entity
5000 Hakes Drive
Suite 250
Norton Shores, Michigan 49441

4. In-Person - Suspected compliance violations or questions can be made in person to the LRE CO at the above address. Please contact the LRE CO to make an in-person appointment.
5. Virtual - Suspected compliance violations or questions can be made virtually via ZOOM or Microsoft® Teams upon request. Please contact the LRE CO to make a virtual appointment.

Non-Retaliation and Non-Intimidation of Person's Reporting Non-Compliance²

LRE Board of Directors Members, LRE staff members, Member CMHSPs and staff, and Network Providers and staff, who make good faith reports of violations of federal or state law, are protected by state and federal whistleblower statutes.

Under the Federal False Claims Act and the Michigan Medicaid False Claims Act, employees who report violations in good faith are entitled to protection from disciplinary actions taken by their employer.

² Also referred to as Whistleblower Protections.

1. The Federal False Claims Act, 31 USC §§3729 through 3731, provides for administrative remedies, encourages enactment of parallel State laws pertaining to civil and criminal penalties for false claims and statements, and provides “whistle-blower” protection for those making good faith reports of statutory violations.
2. Under the Michigan Medicaid False Claims Act, an employer shall not discharge, demote, suspend, threaten, harass, or otherwise discriminate against an employee in the terms and conditions of employment because the employee initiates, assists in, or participates in a proceeding or court action under this act or because the employee cooperates with or assists in an investigation under this act. This prohibition does not apply to an employment action against an employee who the court finds: (i) brought a frivolous claim, as defined in section 2591 of the revised judiciary act of 1961, 1961 PA236, MCL §600.2591; or (ii) planned, initiated, or participated in the conduct upon which the action is brought; or (iii) is convicted of criminal conduct arising from a violation of that act.

See LRE Policies or Procedures: [Compliance-Reporting-Responsibility-Procedure-Final-20230721.pdf \(lsre.org\)](#)

Element 5 - Enforcing Standards: Consequences, and Incentives – The development of appropriate consequences of instances of noncompliance, as well as incentives for compliance. The development of policies regarding conflict of interest; disclosure of ownership; sanctioned, excluded, debarred, etc. organizations and individuals; criminal background checks; etc.

Corrective Action Plans

If an internal investigation substantiates a reported violation, corrective action will be initiated including, as appropriate, which will include: 1) LRE issuing a non-compliance letter, 2) LRE requiring a Corrective Action Plan (CAP) from the agency found out of compliance, 3) Out of compliance agency developing a CAP inclusive of monitoring for adequate implementation and risk mitigation, and 4) Out of compliance agency implementing changes to prevent a similar violation from recurring in the future, is possible.

Elements of a Corrective Action Plan: As appropriate given the nature of the noncompliance, a corrective action plan submitted to LRE for approval shall, at a minimum, include:

1. Describe in sufficient detail the corrective action that will be taken to minimize or eliminate the risk from repeating in the future,
2. Names or Titles of those responsible for implementing the corrective action, and
3. An implementation date.

Depending on the seriousness of the offense, the resulting action for LRE staff could include additional training, written reprimand, suspension, or termination of employment. The resulting action for the Network Provider would also depend on the seriousness of the offense and could

include additional training, written reprimand, suspension, letter of contract non-compliance, and termination of contract.

See LRE Policies or Procedures:

[4.9-Corrective-Action-Plan-Performance-Improvement-Policy.pdf \(lsre.org\)](#)
[4.9a-Corrective-Action-Plan-Performance-Improvement-Procedure.pdf \(lsre.org\)](#)
[9.8-Compliance-Enforcement-20230721.pdf \(lsre.org\)](#)
[1.1-Conflict-of-Interest-Dec2021.pdf \(lsre.org\)](#)
[1.1a-Conflict-of-Interest-Procedure.pdf \(lsre.org\)](#)
[4.2-Contract-Management.pdf \(lsre.org\)](#)
[4.4-Credentialing-Recredentialing.pdf \(lsre.org\)](#)
[9.9-LRE-Exclusion-Screenings-Policy-20230721.pdf \(lsre.org\)](#)
[9.11-Criminal-History-Checks-20230721.pdf \(lsre.org\)](#)
[7.1-Quality-Management.pdf \(lsre.org\)](#)
[7.7-CMHSP-Member-Monitoring-2022.pdf \(lsre.org\)](#)
[7.8-Medicaid-Verification-2020.pdf \(lsre.org\)](#)

Element 6 – Risk Assessment, Auditing, and Monitoring – The use of audits or other risk evaluation techniques to monitor compliance and assist in the reduction of identified problem areas within delivered services, claims processing, and managed care functions.

The development of a Risk Assessment Work Plan that will be used to identify, analyze, and address the risks the organization faces and how well the current systems in place are able to prevent those risks.

The LRE Compliance Officer is also responsible for ensuring a risk assessment is performed annually with the results integrated into the daily operations of the organization.

See LRE Policies or Procedures:

[Compliance-Auditing-and-Monitoring-Procedure-Clean-Reviewed-20230721.pdf \(lsre.org\)](#)
[7.1-Quality-Management.pdf \(lsre.org\)](#)
[7.7-CMHSP-Member-Monitoring-2022.pdf \(lsre.org\)](#)
[7.8-Medicaid-Verification-2020.pdf \(lsre.org\)](#)
[9.1-CC-Plan-20230721.pdf \(lsre.org\)](#)

Element 7 - Responding to Detected Offenses and Developing Corrective Action Initiatives – The development of policies and procedures to respond to detected offenses, to initiate correction action initiatives to prevent future offenses, and to, when appropriate, report to governmental agencies.

See LRE Policies or Procedures:

[9.8-Compliance-Enforcment-20230721.pdf \(lsre.org\)](#)

[9.7-Compliance-Reviews-and-Investigations-20230721.pdf \(lsre.org\)](#)

LRE Policy 9.XX – FWA Investigations

LRE Compliance Procedure – FWA Investigations Step-by-Step Guide

STRUCTURE OF LRE CORPORATE COMPLIANCE PROGRAM

GENERAL STRUCTURE

LRE Board of Directors: LRE Board of Directors is responsible for the review and approval of the LRE Corporate Compliance Plan and review of matters related to the LRE Corporate Compliance Program.

LRE Compliance Officer: LRE designates a Compliance Officer, who

1. Is given sufficient authority and control to oversee and monitor the successful implementation and effectiveness of the LRE Corporate Compliance Plan, including all seven LRE Corporate Compliance Program Elements.
2. Has primary responsibility of advising LRE’s Chief Executive Officer (CEO), Board of Directors, and Executive Team of compliance risks related to strategic and operational decisions and operation of the LRE Corporate Compliance Program.
3. Serves as the Chair of the Compliance Regional Operations Advisory Team (ROAT) and the LRE Compliance Oversight Committee (COC).
4. Reports status of implementation of the LRE Corporate Compliance Plan and its related compliance activities as well as any needs of the LRE Corporate Compliance Program to LRE CEO and/or Board of Directors.
5. Recommends revisions to the LRE Corporate Compliance Program and Plan, inclusive of all seven Corporate Compliance Program Elements, as well as the Compliance Policies and Procedures.
6. Provides consultative support to Member CMHSPs and Network Providers, as requested.
7. Is responsible for the day-to-day operations of the LRE Corporate Compliance Program.
8. Assures compliance training and education efforts for LRE staff and LRE Board of Directors are completed annually.
9. Assures PIHP is aware of evolving federal requirements and MDHHS contractual obligations and standards and ensuring compliance.
10. Coordinates and oversees investigations, audits, and monitoring activities.
11. Coordinates with LRE Operations, Human Resources, and other relevant departments regarding LRE Staff, Member CMHSPs, and Network Providers credentialing and recredentialing including but not limited to certifications, licensures, criminal background checks, sanctions checks, etc.

12. Independently investigate and act on matters related to compliance.
13. Draft and maintain reports including but not limited to annual Corporate Compliance Program Evaluation.

LRE Compliance Oversight Committee: LRE Compliance Oversight Committee (COC) that

1. Provides guidance, supervision, and coordination for the successful implementation and effectiveness of the LRE Corporate Compliance Program.
2. Reviews the effectiveness of the LRE Corporate Compliance Program and LRE Corporate Compliance Work Plan.
3. Reviews the Annual Corporate Compliance Risk Assessment.
4. Reviews recommendations from the Compliance Officer and Compliance ROAT that are related to the LRE Corporate Compliance Program, including all eight Corporate Compliance Program Elements.
5. Is comprised of the LRE Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Chief Managed Care Officer, Compliance Officer, and Chief Information Officer. Legal Counsel will be an ad-hoc member of the COC. In addition, other members of the LRE not mentioned above may be asked to participate in the COC on a case-by-case basis to provide consultation on specific areas of expertise.
6. Meets quarterly and when otherwise needed to address specific impromptu matters.
7. Reviews all direct-to-consumer marketing activities in advance of launch if the activity involves giving anything of value directly to a consumer.

LRE Compliance Regional Operations Advisory Team: LRE Compliance ROAT advises on matters involving compliance and

1. Is comprised of LRE Compliance Officer and the compliance officer from each Member CMHSP in Region 3, which is appointed by the respective Member CMHSP.
2. Reviews the LRE Corporate Compliance Plan and related policies to ensure they adequately address legal requirements and identified risk areas.
3. Analyzes the regulatory environment and the legal requirements with which it must comply and specific risk areas.
4. Analyzes the effectiveness of the LRE Corporate Compliance Program and makes recommendations for improvements, where appropriate.
5. Assists the LRE Compliance Officer with developing policies and procedures to promote compliance with the LRE Corporate Compliance Program and the applicable federal and state statutory, regulatory, and contractual obligations, inclusive of the Office of Inspector General guidelines and the 42 CFR 438.608.
6. Assists the LRE Compliance Officer with identifying potential risk areas and violations.
7. Advises and assists the LRE Compliance Officer with compliance initiatives.
8. Works with appropriate departments, as well as Network Providers, to develop standards of conduct and policies and procedures that promote compliance to legal and ethical standards.

9. Recommends and monitors, in conjunction with the relevant functional area leaders, the development of internal and external systems and controls to carry out LRE's standards, policies and procedures as part of its daily operations.
10. Determines the appropriate strategy and approach to promote compliance with the LRE Corporate Compliance Program and detection of any potential violations, such as through hotlines and other fraud reporting mechanisms.
11. Develops a system to solicit, evaluate and respond to complaints and compliance issues.
12. Monitor internal and external audits and investigations for the purpose of identifying risk areas and implement corrective and preventative actions.
13. Assist in the development of program measurements to evaluate the corporate compliance program effectiveness.
14. Ensure compliance issues are appropriately communicated to the LRE CEO, Board of Directors, Executive Team, and Operations Council, and Network Providers, as appropriate.
15. Addresses other functions as requested by the LRE CEO, Board of Directors, Executive Team, and Operations Council.

LRE Operations Advisory Council: LRE Operations Advisory Council, with respect to the LRE Corporate Compliance Program,

1. As determined by the LRE CEO, LRE Operations Advisory Council reviews Compliance ROAT recommendations concerning compliance matters as identified by the Compliance ROAT and reported by the LRE CEO and chooses to support or not support the Compliance ROAT's recommendations.
2. Is comprised of the LRE CEO and the CEOs, or Executive Directors, of each Member CMHSP in Region 3.

CONFIDENTIALITY AND PRIVACY

All LRE staff, Board of Directors, Member CMSHPs, and Network Providers must conduct themselves in accord with the principle of maintaining the confidentiality of consumers' information in accordance with all applicable laws and regulations, including but not limited to the Michigan Mental Health Code and the Privacy and Security Regulations issued pursuant to HIPAA and recent updated HITECH revisions, and 42 CFR Part 2 as it relates to substance abuse records.

All LRE staff, Board of Directors, Member CMSHPs, and Network Providers will refrain from disclosing any personal or confidential information concerning members unless authorized by laws relating to confidentiality of records and protected health information.

If specific questions arise regarding the obligation to maintain the confidentiality of information or the appropriateness of releasing information, any LRE staff, Board of Directors, Member CMSHPs, and Network Providers should seek guidance from the LRE Compliance/Privacy Officer

or anonymously seek guidance through the LRE Corporate Compliance and Privacy hotline at 1-800-420-3592.

The relevant LRE policies regarding HIPAA security and privacy and breach notification policy and procedure can be found here:

See LRE Policies or Procedures: [3.2-HIPAA-Security-and-Privacy.pdf \(lsre.org\)](#)
[3.5-Breach-Notification.pdf \(lsre.org\)](#)
[3.5A-Breach-Notification.pdf \(lsre.org\)](#)

LEGAL AND REGULATORY STANDARDS

PRIMARY REGULATORY AND LEGAL STANDARDS

Numerous laws establish compliance requirements for the LRE, Member CMHSPs, and Network Providers. However, in formalizing LRE's Corporate Compliance Program, the legal basis of LRE'S Corporate Compliance Program centers around four primary legal and regulatory standards:

The Affordable Care Act (2010) – This Act requires the PIHP to have a written and operable compliance program capable of preventing, identifying, reporting, and ameliorating fraud, waste, and abuse across the PIHP's provider network. All programs funded by the PIHP including CMHSPs, sub- contract provider organizations and practitioners, board members and others involved in rendering PIHP covered services fall under the purview and scope of LRE's Corporate Compliance Program.

The Anti-Kickback Statute – This Act prohibits the offer, solicitation, payment, or receipt of remuneration, in cash or in kind, in return for or to induce a referral for any service paid for or supported by the Federal government or for any good or service paid for in connection with consumer service delivery.

The Federal False Claims Act – This Act applies when a company or person knowingly presents (or causes to be presented) to the Federal government (or any entity on its behalf) a false or fraudulent claim for payment; knowingly uses (or causes to be used) a false record or statement to get a claim paid; conspires with others to get a false or fraudulent claim paid; or knowingly uses (or causes to be used) a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the Federal government (or its designated entity).

The Michigan False Claims Act – This Act prohibits fraud in the obtaining of benefits or payments in conjunction with the MI Medical assistance program; to prohibit kickbacks or bribes in connection with the program to prohibit conspiracies in obtaining benefits or payments; and to authorize the MI Attorney General to investigate alleged violations of this Act.

ADDITIONAL LEGAL AND REGULATORY STANDARDS

There are numerous other applicable federal and state statutory, regulatory, and contractual obligations that establish requirements for LRE's Corporate Compliance Program, include but are not limited to:

1. 42 CFR Part 2 Confidentiality of Alcohol and Drug Use Patient Records
2. American with Disabilities Act of 1990
3. Civil Monetary Penalty Law of 1981
4. Code of Federal Regulations
5. Deficit Reduction Act/Medicaid Integrity Program of 2005
6. Government Accounting Standards Board (GASB) Guide to Encounter Data Systems
7. Health Information Technology for Economic and Clinical Health Act (HITECH) Act
8. Home and Community Based Services Final Rule
9. Letters to State Medicaid Directors
10. Medical Services Administration (MSA) Policy Bulletins
11. Medicaid State Plan
12. Michigan Medicaid Provider Manual
13. Michigan Medical Records Act
14. Michigan Mental Health Code, Public Health Code and Administrative Rules
15. Michigan State Licensing requirements
16. Michigan Whistleblowers Act, Act 469 of 1980
17. Office of Inspector General Annual Work Plan
18. Office of Management and Budget (OMB) Circulars
19. Privacy and Security requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA)
20. Provisions from Public Act 368 of 1978 – revised – Article 6 Substance Abuse
21. Quality Improvement Systems for Managed Care (QISMC)
22. Requirements as identified by the Office of Inspector General
23. Social Security Act of 1964 (Medicare and Medicaid)
24. Stark Law
25. State of Michigan MDHHS/PIHP contract provisions
26. State Operations Manual
27. Technical Assistance Advisories, as required
28. Technical Assistance Tools
29. The Balanced Budget Act of 1997
30. Waiver Applications

The LRE Corporate Compliance Plan is subject to the following conditions:

- A. The LRE Compliance Officer may recommend modifications, amendments, or alterations to the written LRE Corporate Compliance Plan as necessary and will communicate any changes promptly to all personnel and to the Board of Directors.
- B. This document is not intended to, nor should be construed as, a contract or agreement, and does not grant any individual or entity employment or contract rights.

DEFINITIONS AND TERMS

These terms have the following meaning throughout the LRE Corporate Compliance Plan.

1. **Abuse** means practices that are inconsistent with sound fiscal, business, or clinical practices, and result in an unnecessary cost to the Medicaid program, or in reimbursement for services that are not medically necessary or that fail to meet professionally recognized standards of care. It also includes beneficiary practices that result in unnecessary costs to the Medicaid program. (42 CFR § 455.2)
2. **Compliance Inquiry** mean the initial step in the fraud, waste, and abuse (FWA) investigation process. A compliance inquiry begins when a Community Mental Health Service Provider (CMHSP) or other provider receives a complaint alleging FWA from any source exists, or the CMHSP or other providers identify questionable practices or irregularities that may indicate a potential credible allegation of fraud, or waste, or abuse, exists. The CMHSP or provider will conduct a basic fact gathering to see if there is sufficient evidence to refer the complaint to the Prepaid Inpatient Health Plan (PIHP) for a preliminary investigation.
3. **Corrective Action Plan** means a formal plan that identifies specific, actionable steps to improve an organization's processes or address deficiencies in performance when measured against established standards and contractual requirements.
4. **Credible Allegation of Fraud (CAF)** means an allegation, which has been verified by an agency or the State, from any source, including but not limited to the following:
 - (1) Fraud hotline tips verified by further evidence.
 - (2) Claims data mining.
 - (3) Patterns identified through provider audits, civil false claims cases, and law enforcement investigations. Allegations are considered to be credible when they have indicia of reliability and the State Medicaid agency has reviewed all allegations, facts, and evidence carefully and acts judiciously on a case-by-case basis. (42 CFR 455).
5. **Fraud (Federal False Claims Act)** is an intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to himself or some other person. It includes any act that constitutes fraud under applicable Federal or State law including but not limited to the Federal False Claims Act and the Michigan False Claims Act. (42 CFR §455.2).

6. **Full Investigation** means when the findings of a preliminary investigation give a PIHP reason to believe that PCAF has occurred, and the amount is \$5,000 or greater, the PIHP must refer the case to the Office of Inspector General (OIG) and Medicaid Fraud Control Unit, which will conduct an extensive and thorough investigation to determine if a credible allegation of fraud (CAF) exists. Also, if PCAF has occurred and the amount is less than \$5,000, the PIHP will conduct the full investigation to completion.
7. **Member CMSHPs** means the Member CMSHPs that hold a contract with LRE to provide supports and services to adults and children with mental illness, developmental disabilities, and co-occurring mental health and substance abuse disorders to Medicaid enrollees and to perform various delegated managed care functions consistent with LRE policy. "Member CMSHPs" includes the agency itself as well as those acting on its behalf, regardless of employment or contractual relationship.
8. **Network Provider** means, according to the FY24 MDHHS-PIHP Contract, any provider, group of providers, or entity that has a provider agreement with PIHP or Member CMHSP, including a CMHSP, and receives Medicaid funding directly or indirectly to order, refer or render covered services as a result. A network provider is not a subcontractor by virtue of the network provider agreement, unless the network provider is responsible for services other than those that could be covered in a network provider agreement related to the delivery, ordering, or referring of covered services to a beneficiary.
9. **Preliminary Investigation** is the second step in the FWA investigation process. The PIHP analyzes the information contained within the CMHSP's FWA referral to the PIHP and determines whether more information is required to reach a particular conclusion. After determining whether the evidence is sufficient, the PIHP will analyze all of the information in its entirety, conduct interviews if required, and make a recommendation to the OIG and Attorney General (AG) that there is sufficient evidence to prove that a PCAF exists that is \$5,000 or more, and requires a full investigation. If a PCAF exists but the amount is less than \$5,000, a full investigation will still be required, but it will be the responsibility of the PIHP to conduct.
10. **Potential Credible Allegation of Fraud (PCAF)** is the belief that fraud has occurred, and the evidence is leading the examiner to this conclusion. The PIHP will determine if a PCAF exists.
11. **Resolution of Full Investigation** means when the full investigation is completed and legal action is initiated, or the case is dismissed due to insufficient evidence to support the allegations, or the matter is resolved between the PIHP, CMHSP, and the provider beneficiary.
12. **Waste** means overutilization of services, or other practices that result in unnecessary costs. Generally, not considered caused by criminally negligent actions but rather the misuse of resources.

REFERENCES, HYPERLINKS, AND SUPPORTING DOCUMENTS

1. 42 USC 139a(a); Section 1902(a) of the Social Security Act (AKA the Deficit Reduction Act of 2005)
<http://www.cms.hhs.gov/deficitreductionact>
2. Anti-kickback Statute (section 1128B[b] of the Social Security Act)
http://www.ssa.gov/OP_Home/ssact/title11/1128B.htm
<https://oig.hhs.gov/compliance/safe-harbor-regulations>
3. Code of Federal Regulations (Title 42, Part 2 and Title 45, Part 160 & 164)
<http://www.ecfr.gov/cgi-bin/ECFR?page=browse>
4. Department of Health and Human Services, Office of Inspector General
<https://oig.hhs.gov>
5. DOJ Compliance Guidance
<https://www.justice.gov/criminal-fraud/page/file/937501/download>
6. False Claims Act
<https://oig.hhs.gov/fraud>
<http://www.legislature.mi.gov>
7. Federal Sentencing Guidelines Section 8
<https://www.uscourts.gov/guidelines/2021-guidelines-manual-annotated>
8. Guidelines for Constructing a Compliance Program for Medicaid Managed Care Organizations and Prepaid Health Plans, Medicaid Alliance for Program Safeguards, May 2002
<https://www.cms.gov/Medicare-Medicaid-Coordination/Fraud-Prevention/FraudAbuseforProfs/Downloads/mccomplan.pdf>
9. Managing Compliance Program Effectiveness: A Resource Guide
<https://oig.hhs.gov/documents/toolkits/928/HCCA-OIG-Resource-Guide.pdf>
10. Michigan Mental Health Code
[http://www.legislature.mi.gov/\(S\(ea1olrem4pvgdzylgs0hay4e\)\)/mileg.aspx?page=GetObject&objectname=mcl-Act-258-of-1974](http://www.legislature.mi.gov/(S(ea1olrem4pvgdzylgs0hay4e))/mileg.aspx?page=GetObject&objectname=mcl-Act-258-of-1974)
11. Michigan Public Health Code
<http://www.legislature.mi.gov/documents/mcl/pdf/mcl-act-368-of-1978.pdf>
12. United States Attorney Manual (USAM)
<https://www.justice.gov/jm/jm-9-28000-principles-federal-prosecution-business-organizations#9-28.800>
13. United States Department of Justice, Criminal Division, Evaluation of Corporate Compliance Program
<https://www.justice.gov/criminal-fraud/page/file/937501/download>

COMPLIANCE OFFICER CONTACT INFORMATION

LAKESHORE REGIONAL ENTITY

LRE Compliance Officer
Lakeshore Regional Entity
5000 Hakes Drive Suite 250
Norton Shores, Michigan 49441

Compliance Hotline: 1-800-420-3592
Compliance Fax: 231-769-2075
Compliance Officer: 231-769-2079
E-mail: Compliance@lsre.org

MEMBER CMHSPs

COUNTY(IES)	MEMBER CMHSP	COMPLIANCE OFFICER CONTACT INFORMATION
Allegan County	OnPoint (Allegan County Community Mental Health Services)	Diane Bennett - Compliance Officer Tel: 269-512-4737 Fax: 269-686-5201 E-mail: cofficer@onpointallegan.org
Kent County	Network 180 (Kent County CMH Authority)	Stacey O'Toole - Director of Quality, Data Analytics, and Compliance Tel: 616-825-5400 E-mail: stacey.otoole@network180.org
Lake County Mason County Oceana County	West Michigan Community Mental Health System	Devon Hernandez - Director of Corporate Compliance and Risk Management Tel: 231-845-6294 Fax: 231-845-7095 E-mail: devonh@WMCMHS.org
Muskegon County	HealthWest	Linda Closz - Director of Health Information Services Tel: 231-724-3631 Fax: 231-724-3659 E-mail: linda.closz@healthwest.net
Ottawa County	Community Mental Health of Ottawa County	Kristen Henniges - Compliance Program Coordinator Tel: 616-393-5685 Fax: 616-393-5687 E-mail: khenniges@miottawa.org

GOVERNMENTAL AGENCIES

To report suspected Fraud, Waste, or Abuse to the Office of Inspector General: MDHHS
Medicaid Fraud Hotline: 1-855-MI-FRAUD (1-855-643-7283) voicemail available after hours or
send a letter to:

Michigan Office of Inspector General
PO Box 30062
Lansing, MI 48909

Health and Human Services (HHS)/OIG Hotline: 1-800-HHS-TIPS (1-800-447-8477) or make an online report: [File Online Compliant](#)

ATTESTATIONS

ATTESTATION FOR LRE STAFF



LRE STAFF ANNUAL CORPORATE COMPLIANCE TRAINING CERTIFICATION FORM

1. I attended and completed the required annual corporate compliance training for LRE staff on _____.
(Month, Date, Year)
2. I have received, read, and understand the LRE Corporate Compliance Plan and all related policies and procedures.
3. I agree to act in compliance with and abide by the LRE Corporate Compliance Plan during the entire term of my employment or contract.
4. I acknowledge that I have a duty to report to the LRE Compliance Officer any suspected or actual violation of the LRE Corporate Compliance Plan, related laws, regulations, policies, and procedures by myself, another LRE staff, or any other person.
5. I will seek advice from the LRE Compliance Officer concerning appropriate actions that I may need to take to comply with the LRE Corporate Compliance Plan, related laws, regulations, policies, and procedures.
6. I agree to participate in any future compliance trainings as required and acknowledge my attendance at such trainings as a condition of my continued employment or contract.
7. I agree to disclose the existence and nature of any potential or actual conflict of interest to the LRE Compliance Officer. Further, I certify that I am not aware of any current conflicts of interest.
8. I understand that failure to comply with the LRE Corporate Compliance Plan or failure to report any potential or actual violation of the LRE Corporate Compliance Plan may result in disciplinary action up to and including termination of employment or contract.

LRE Staff Name (PRINT)

LRE Staff Signature

Date

ATTESTATION FOR BOARD OF DIRECTORS



LRE BOARD OF DIRECTORS ANNUAL CORPORATE COMPLIANCE TRAINING CERTIFICATION FORM

1. I attended and completed the “Annual Corporate Compliance Training” for the newly appointed LRE Board of Directors on _____.
(Month, Date, Year)
1. I have received, read, and understand the LRE Corporate Compliance Plan.
2. I agree to act in compliance with and abide by the LRE Corporate Compliance Plan during the entire term of my Board service.
3. I acknowledge that I have a duty to report to the LRE Compliance Officer any suspected or actual violation of the LRE Corporate Compliance Plan, related laws, regulations, policies, and procedures by myself, another Board Member, or any other person.
4. I will seek advice from the LRE Compliance Officer concerning appropriate actions that I may need to take to comply with the LRE Corporate Compliance Plan, related laws, regulations, policies, and procedures.
5. I agree to participate in future LRE Board of Directors compliance trainings, as required.
6. I agree to disclose the existence and nature of any potential or actual conflict of interest annually as required by the financial disclosure form and at any time when it arises thereafter to the LRE Board Chairman and LRE Compliance Officer.
7. I understand that failure to comply with any part of the LRE Corporate Compliance Plan may result in my removal from the Board of Directors.

Board of Director Name (PRINT)

Board of Director Signature

Date

EXECUTIVE COMMITTEE AGENDA

Wednesday, February 3, 2025, 1:00 PM, Virtual
Phone: 586-482-8124 Conference ID: 624 916 274#

Present: Patricia Gardner, Craig Van Beek, Janet Thomas, Ron Bacon

WELCOME AND INTRODUCTIONS – Patricia Gardner

MDHHS COST SETTLEMENT – Chris Ryan

Ms. Gardner updates that the Executive Committee meeting was called because MDHHS has communicated to LRE that they will begin recouping the FY22 cost settlement amount of \$13.7 million beginning February 13. The LRE has sent back a communication to MDHHS stating that we do not agree with the methodology they used regarding the cost settlement. Mr. Ryan from Taft Law is present to answer questions.

Mr. Ryan explains that to file a TRO (temporary restraining order) the LRE would have to be prepared to prove immediate irreparable harm. Because FY24 financials do not close until the end of February this may be difficult. Filing for a preliminary injunction instead of a TRO will give LRE more time to demonstrate definitively when services will be disrupted due to the recoupment of the funds.

If the Board authorizes action, Mr. Ryan recommends that prior to filing, he meet with the AG. Mr. Ryan can try to come to an arrangement where MDHHS does not begin recoupment of funds until an agreement can be made between parties. If they do not agree then LRE can move forward with the action, and this will show the court that LRE tried to work out a solution prior to filing.

Ms. Chick explains that the LRE used the FSR template and reporting instructions provided by the state to report the use of funds. The LRE also used Roslund, Prestage and Company, PC (RPC), LRE's external auditors to review MDHHS memorandum and the FY22 FSR to ensure they agreed with how the LRE presented the historical deficit on the ISF tab of the template. This was also included in the FY22 Compliance Examination that is required by MDHHS. The LRE maintains that this was completed in accordance with MDHHS instruction and Judge Shapiro's ruling.

Ms. Gardner concludes that the recommendation to the LRE Board is to authorize Mr. Ryan to file the suit, schedule a meeting with the AG and propose a halt to recoupment of funds until there is resolution and if nothing can be agreed to move forward with filing for injunctive relief indicating that it is not an emergency in February as budgets are still being sorted but it would be in the near future and to ask the judge not allow recoupment beginning February 13.

The Executive Committee agrees with this recommendation and bringing to the full Board.

Ms. Gardner requests that the following information be sent to the full Board for consideration of the lawsuit.

- Mary will work with legal counsel on motion language.
- Communication from the MDHHS stating their plan for recoupment.
- LREs communication back to MDHHS that provides a position statement and historical background.
- Ms. Chick will provide a memo explaining the information regarding the reporting template and review of RPC.

UPCOMING MEETINGS –

- February 19, 2025 – Executive Committee, 1:00PM
- February 26, 2025 – LRE Executive Board Work Session, 11:00 AM
GVSU, Muskegon Innovation Hub, 200 Viridian Dr, Muskegon, MI 49440
- February 26, 2025 – LRE Executive Board Meeting, 1:00 PM
GVSU, Muskegon Innovation Hub, 200 Viridian Dr, Muskegon, MI 49440

ADJOURN

EXECUTIVE COMMITTEE SUMMARY

Wednesday, February 19, 2025, 1:00 PM

Present: Patricia Gardner, Janet Thomas, Richard Kanten, Craig Van Beek, Ron Bacon
LRE: Mary Marlatt-Dumas, Stephanie VanDerKooi, Stacia Chick

WELCOME and INTRODUCTIONS

- i. Review of February 19, 2025, Meeting Agenda
- ii. Review of January 15, 2025, Meeting Minutes
- iii. Review of February 3, 2025, Meeting Minutes

February 19, 2025, agenda, January 15, 2024, and January 3, 2025, meeting minutes are accepted as presented.

FY25 MDHHS/PIHP CONTRACT UPDATE

The most current update still stands as 4 PIHPs (Regions 1, 2, 6, 10) are included in the lawsuit regarding the FY25 PIHP Contract. At present, Ms. Marlatt-Dumas does not recommend moving forward with joining the lawsuit. There has been positive movement with MDHHS on the Cost Settlement issue, and the concern is that joining the PIHP lawsuit may have a negative effect on that outcome. The CMH CEOs unanimously agree that LRE should not sign the current FY25 contract. Ms. Marlatt-Dumas' recommendation is to continue to hold as is, not signing the contract or joining the lawsuit. MDHHS has allowed this region to move forward with SUD Health Homes. The EC members should understand that this is subject to change.

The state has filed for dismissal of the complaint filed by the four PIHPs. Mr. Ryan, who is legal counsel for the PIHPs has asked for a 2 week extension that was granted. Mr. Ryan will be using this time to draft a rebuttal.

MDHHS COST SETTLEMENT UPDATE

Ms. Marlatt-Dumas and Mr. Ryan reached out to the state and AG to schedule a meeting to ask if they would halt recoupment and come back to the table to discuss the cost settlement issue as directed by the LRE Board during the Emergency Board meeting.

Ms. Marlatt-Dumas met with Kristen Jordan and explained that while the Board had given authority to move forward with a lawsuit the preference would be to come to an agreement without having to file. Ms. Jordan agreed to take that back and continue internal discussions. Mr. Ryan met with the AG who were not aware of the issues with the cost settlement and asked for some time to discuss with MDHHS. The AG met with MDHHS who told them that LRE used the incorrect template, which Mr. Ryan then pulled down the template used directly off the MDHHS website and gave to the AG. The scheduled meeting was canceled to allow them more time to discuss with MDHHS.

MDHHS did recoup \$4.8 million from LRE but agreed to put those funds into an escrow account to hold until an agreement could be reached. They have also agreed to suspend the next two recoupments.

Mr. Ryan presented a PowerPoint to the AG who then sent a communication back stating they would need more time to review but there would be no recoupments coming out until there was some type of resolution. She also stated that she is hoping to be able to work this out without filing a lawsuit. There is a tentative meeting for February 25.

Ms. Gardner comments that she had read the complaint, and it was extremely well done. The presentation that Mr. Ryan and Ms. Chick created was clear, factual and concise. Ms. Gardner would like to recognize that Ms. Marlatt-Dumas, Ms. Chick and Mr. Ryan have represented this region with thoughtful restraint keeping in mind the protection to the individuals we serve as the primary goal.

LRE LEADERSHIP CHANGE

There has been a leadership change at LRE. The Quality Department has been moved under Stephanie VanDerKooi, COO.

BOARD GOVERNANCE POLICY REVIEW

- i. 10.5 Code of Conduct
 - Send Redline and put back on the agenda in March.
- ii. 10.17 Management Delegation and Executive Limitations
 - Send Redline and put back on the agenda in March.

BOARD MEETING AGENDA ITEMS

- i. Action Items
 - a. Governance Policies
 - b. Budget Amendment #1
 - c. Compliance Plan
 - d. CEO Contract
 - e. Our Hope Contract
 - The Our Hope Contract is located in Kent County and is over \$50,000 for SUD treatment.

BOARD WORK SESSION AGENDA

LRE Strategic Plan Update will be presented by Stephanie VanDerKooi.

OTHER

CEO EVALUATION

The Executive Committee met with Ms. Marlatt-Dumas and Human Resources to discuss the results of the CEO evaluation and the financial Change document. All other attendees were asked to leave the meeting at this time.

UPCOMING MEETINGS

- February 19, 2025 – Executive Committee, 1:00PM
- February 26, 2025 – LRE Executive Board Work Session, 11:00 AM
GVSU, Muskegon Innovation Hub, 200 Viridian Dr, Muskegon, MI 49440

- February 26, 2025 – LRE Executive Board Meeting, 1:00 PM
GVSU, Muskegon Innovation Hub, 200 Viridian Dr, Muskegon, MI 49440
- March 19, 2025 – Executive Committee, 1:00PM
- March 26, 2025 – LRE Executive Board Work Session, 11:00 AM
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ADJOURN

Policy 10.6

POLICY TITLE: OPEN MEETINGS, FREEDOM OF INFORMATION AND REASONABLE ACCOMMODATION	POLICY # 10.6	
Topic Area: Governance/Management	Page 1 of 4	REVIEW DATES
Applies to: LRE Executive Board	ISSUED BY: Chief Executive Officer	1/25/23
Developed and Maintained by: LRE Executive Board, LRE CEO	APPROVED BY: Board of Directors	12/17/24
Supersedes: N/A	Effective Date: 1/25/2023	Revised Date: 12/27/24

I. PURPOSE

To provide the LRE Board specific requirements for operating in compliance with Michigan's Open Meetings Act, 1976 PA 267, the Freedom of Information Act, 1976 PA 422; Title VII of the Civil Rights Act of 1964; Americans with Disabilities Act, and the ADA Amendments Act of 2008

II. POLICY

The Lakeshore Regional Entity Board of Directors members, officers, staff and other employees shall fully comply with all applicable laws, regulations and rules, including without limitation 1976 PA 267 (the "Open Meetings Act"), 1976 PA 422 (the "Freedom of Information Act"), Title VII of the Civil Rights Act of 1964; Americans with Disabilities Act, and the ADA Amendments Act of 2008.

The Regional Entity shall develop such compliance policies and procedures. If any such noncompliance is found, immediate corrective action as defined in the Lakeshore Regional Entity Operating Agreement shall be taken by the appropriate source to ensure compliance. Compliance policies and procedures will be defined in the Operating Agreement.

III. APPLICABILITY AND RESPONSIBILITY

This policy applies to the LRE CEO and Board.

IV. MONITORING AND REVIEW

This policy will be reviewed annually by the LRE CEO

V. DEFINITIONS

Closed Session: A meeting or part of a meeting of a public body that is closed to the public.

Decision: A determination, action, vote, or disposition upon a motion, proposal, recommendation, resolution, order, ordinance, bill, or measure on which a vote by members of a public body is required and by which a public body effectuates or formulates public policy

Disability: a mental or physical impairment, or a record or history of such an impairment, that prevents participation in major life activities.

Disabled Person: Someone who has a mental or physical impairment, or a record or history of such an impairment, that prevents participation in major life activities.

Public Body: Any state or local legislative or governing body, including a board, commission, committee, subcommittee, authority, or council, that is empowered by state constitution, statute, charter, ordinance, resolution, or rule to exercise governmental or proprietary authority or perform a governmental or proprietary function; a lessee of such a body performing an essential public purpose and function pursuant to the lease agreement; or the board of a nonprofit corporation formed by a city under section 4o of the home rule city act, 1909 PA 279, MCL 117.4o.

Meeting: The convening of a public body at which a quorum is present for the purpose of deliberating toward or rendering a decision on a public policy, or any meeting of the board of a nonprofit corporation formed by a city under section 4o of the home rule city act, 1909 PA 279, MCL 117.4o.

Reasonable Accommodation: A reasonable accommodation is a modification or adjustment to a job, the work environment, or the way things usually are done that enables a qualified individual with a disability to enjoy an equal employment opportunity. An equal employment opportunity means an opportunity to attain the same level of performance or to enjoy equal benefits and privileges of employment as are available to an average similarly situated employee without a disability.

The ADA requires reasonable accommodation in three aspects of employment:

- 1) to ensure equal opportunity in the application process,
- 2) to enable a qualified individual with a disability to perform the essential functions of a job, and
- 3) to enable an employee with a disability to enjoy equal benefits and privileges of employment.

Mental impairment: Any psychological or mental disorder, such as emotional or mental illness, mental retardation, organic brain syndrome, and learning disabilities. These include, but are not limited to:

- Muscular dystrophy

- Orthopedic, speech, and hearing impairments
- Visual impairments
- Hearing impairments
- Heart disease
- Epilepsy
- Cerebral palsy
- Intellectual/Developmental disability
- Drug addiction
- Specific learning disabilities

Physical Impairment: A physiological disorder or condition, anatomical loss, or cosmetic disfigurement that impacts one or more of these body systems:

- Neurological
- Special-sense organs
- Musculoskeletal
- Digestive
- Cardiovascular
- Respiratory
- Reproductive
- Hemic and lymphatic
- Endocrine
- Skin
- Genitourinary

VI. PROCEDURES

LRE shall operate in compliance with the procedures prescribed in Michigan’s Open Meetings Act, 1976 PA 247, in Michigan’s Freedom of Information Act, 1976 PA 442, Title VII of the Civil Rights Act of 1964; Americans with Disabilities Act, and the ADA Amendments Act of 2008

Board members seeking reasonable accommodations will submit a formal request using the “Reasonable Accommodations Request Form” to the LRE Board Executive Committee. The request will be reviewed by the Executive Committee during the next regularly scheduled Executive Committee meeting and a disposition provided to the requesting Board member within seven (7) days of the date of review.

VII. RELATED POLICIES AND PROCEDURES

- Michigan’s Open Meetings Act, 1976 PA 247.
[http://www.legislature.mi.gov/\(S\(y0izyfd1uq0jvg2hi5ziwenc\)\)/mileg.aspx?page=GetObject&objectname=mcl-Act-267-of-1976](http://www.legislature.mi.gov/(S(y0izyfd1uq0jvg2hi5ziwenc))/mileg.aspx?page=GetObject&objectname=mcl-Act-267-of-1976)
- Michigan’s Freedom of Information Act, 1976 PA 442
[http://www.legislature.mi.gov/\(S\(getco1pddofdrjvliafthpbl\)\)/mileg.aspx?page=GetObject&objectname=mcl-Act-442-of-1976](http://www.legislature.mi.gov/(S(getco1pddofdrjvliafthpbl))/mileg.aspx?page=GetObject&objectname=mcl-Act-442-of-1976)

- Lakeshore Regional Entity Operating Agreement
- Title VII of the Civil Rights Act of 1964;
- Americans with Disabilities Act;
- ADA Amendments Act of 2008
- Michigan Elliott-Larsen Civil Rights Act
- LRE Policy
- LRE Reasonable Request for Accommodation

VIII. CHANGE LOG

Date of Change	Description of Change	Responsible Party
12/27/24	Reviewed – No Changes	CEO

Policy 10.13

POLICY TITLE: COMMUNICATION AND COUNSEL TO THE BOARD OF DIRECTORS		POLICY #: 10.13		
Topic Area: Executive Responsibility	Applies to: Chief Executive Officer, Chief Compliance Officer, Chief Financial Officer	Issued By and Approved By: Board of Directors	REVIEW DATES	
			11/18/21	
Developed and Maintained by: CEO and Designees	Supersedes: N/A	Effective Date: 9/17/16	1/8/2025	
			Revised Date: 1/8/2025	

I. PURPOSE

To make appropriate decisions, the Entity Board of Directors must be informed of relevant information by the Entity Executive staff.

II. POLICY

Chief Executive Officer

The Lakeshore Regional Entity (the "Entity") Chief Executive Officer (CEO) shall ensure that the Entity Board of Directors is informed and supported in its work.

The Entity CEO must:

1. Submit monitoring data required by the Entity Board of Directors in a timely, accurate, and understandable fashion, directly addressing provisions of Entity Board of Directors policies being monitored and including the Entity CEO interpretations as well as relevant data.
2. Ensure that the Entity Board of Directors is aware of any noncompliance actual or anticipated of Entity Board of Directors.
3. Ensure that the LRE Board of Directors has adequate information to be aware of relevant trends.
4. Inform the Entity Board of Directors of any significant information on impending media coverage, threatened or pending lawsuits, and material internal and external changes.
5. Ensure that the Entity Board of Directors is aware that, in the Entity CEO's opinion, the Entity Board of Directors is not in compliance with its own policies, particularly in the case of the Entity Board of Directors behavior that is detrimental to the work relationship between the Entity Board of Directors and the Entity CEO.
6. Refrain from presenting information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and other.
7. Ensure that the Entity Board of Directors will have a workable mechanism for official Entity Board of Directors, officers, or committee's communications.

8. Not deal with individual Entity Board of Directors in a way that favors or privileges certain the Entity Board of Directors members over others, except when fulfilling individual requests for information or responding to officers or committees duly charged by the Entity Board of Directors.
9. Submit to the Entity Board of Directors a consent agenda containing items delegated to the Entity CEO required by law, regulation, or contract to be approved by the Entity Board of Directors, along with applicable monitoring information.

Chief Financial Officer and Chief Compliance Officer

The Financial Officer and Chief Compliance Officer shall have direct access to the Entity Board of Directors.

III. APPLICABILITY AND RESPONSIBILITY

This policy applies to the Entity Board of Directors, Entity CEO, Entity Chief Compliance Officer, and the Entity Chief Financial Officer.

IV. MONITORING AND REVIEW

The CEO and designees will review this policy on an annual basis.

V. DEFINITIONS

Entity – Also referred to as Lakeshore Regional Entity or LRE, is the Prepaid Inpatient Health Plan (PIHP) for Region 3 as defined in 42 CFR Part 438 and meets the requirements of MCL 330.1204b of the Michigan Mental Health Code.

VI. RELATED POLICIES AND PROCEDURES

- A. Compliance Policies and Procedures
- B. Board Policies and Procedures
- C. Board By-Laws

VII. REFERENCE/LEGAL AUTHORITY

N/A

CHANGE LOG Date of Change	Description of Change	Responsible Party
11/18/21	Moved procedure to policy section. Added language from 10.17	CEO and Designees
1/8/2025	Added Entity Definition	CEO

February 2025 Contracts for LRE BOD Approval (\$50,000 or Greater)			
Agency Name	Contract Name	Description	Contract Total
Our Hope Association	FY25_Our Hope Grant	The purpose of this project is for PIHPs to collaborate with local governments to support community engagement and planning activities, such as those provided by the Technical Assistance Collaborative (TAC), and to facilitate infrastructure support and service delivery.	\$150,000.00



BOARD ACTION REQUEST

Subject: December 2024 Disbursements

Meeting Date: January 22, 2025

RECOMMENDED MOTION:

To approve the December 2024 disbursements of \$36,722,362.48 as presented.

SUMMARY OF REQUEST/INFORMATION:

Disbursements:	
Alleghen County CMH	\$3,283,655.77
Healthwest	\$8,448,373.88
Network 180	\$17,032,041.33
Ottawa County CMH	\$4,608,219.23
West Michigan CMH	\$3,054,112.04
SUD Prevention Expenses	\$37,795.03
Hospital Reimbursement Adjuster (HRA)	\$4,354.00
SUD Public Act 2 (PA2)	\$118,685.82
Administrative Expenses	\$139,479.38
Total:	\$36,722,362.48

99.30% of Disbursements were paid to Members and SUD Prevention Services.

I affirm that all payments identified in the monthly summary above are for previously appropriated amounts.

STAFF: *Stacia Chick*

DATE: *1/15/2025*



Proposed Statement of Revenues, Expenditures & Changes in Fund Balance
Fiscal Year Ending 9/30/2025

	FY 2024/2025 Initial Budget	FY 2024/2025 Amendment 1 Budget	Increase / (Decrease)	Change %
Revenue				
Regional Operating Revenue				
Mental Health State Plan & 1915(i)	\$ 225,749,203	\$ 218,502,897	\$ (7,246,306)	-3.2%
Habilitation Supports Waiver (HSW)	51,729,665	52,113,196	383,531	0.7%
Children's Waiver	3,180,212	3,593,149	412,936	13.0%
SED Waiver	1,672,628	639,628	(1,033,000)	-61.8%
DHS Incentive Payment	471,247	471,247	-	0.0%
Autism Revenue	47,599,001	51,999,100	4,400,099	9.2%
Mental Health Healthy Michigan	17,311,272	16,986,744	(324,528)	-1.9%
Mental Health Block Grant - Veteran Navigator	110,000	124,825	14,825	13.5%
Block Grants - Hisp BH, Native Am, Tob, Clubhse,				
BH Workforce Stab., ARPA	513,800	510,539	(3,261)	-0.6%
Substance Use Gambling, ARPA & DFC	1,040,366	1,042,317	1,951	0.2%
Substance Use State Plan	8,162,709	7,719,684	(443,025)	-5.4%
Substance Use Healthy Michigan	11,157,718	10,864,981	(292,737)	-2.6%
Substance Use Block, State Opioid Response, COVID-19	9,328,394	10,521,579	1,193,185	12.8%
Performance Bonus Incentive Pool	2,819,234	2,819,234	-	0.0%
CCBHC Quality Bonus Incentive	1,745,775	1,745,775	-	0.0%
Substance Use PA2 Liquor Tax	3,996,264	4,449,350	453,086	11.3%
Medicaid CCBHC Base Capitation	23,389,790	28,904,608	5,514,818	23.6%
Healthy Michigan CCBHC Base Capitation	6,046,769	7,837,590	1,790,821	29.6%
Medicaid CCBHC Supplemental	34,550,918	42,474,023	7,923,106	22.9%
Healthy Michigan CCBHC Supplemental	9,822,186	12,735,147	2,912,961	29.7%
Health Homes (BHH, OHH)	-	35,500	35,500	0.0%
CCBHC General Funds	-	-	-	0.0%
Hospital Rate Adjuster (HRA)	18,820,061	18,820,061	-	0.0%
Interest Earnings	1,354,059	1,354,059	-	0.0%
Member Local Contribution to State Medicaid	1,007,548	1,007,548	-	0.0%
Miscellaneous Revenue	5,500	5,500	-	0.0%
Total Revenue	\$ 481,584,318	\$ 497,278,280	\$ 15,693,962	
Expense				
Regional Operating Expenses				
Administration expense	\$ 13,922,557	\$ 13,922,557	\$ -	0.0%
Block Grants - Clubhse/Veterans/Hisp/Tob Cess/ NatAm/BH Workforce Stab/BHH Expansion	623,800	670,864	47,064	7.5%
SUD Treatment Expenses - Grants	-	1,138,436	1,138,436	0.0%
SUD Prevention Expenses - Grants & PA2	3,629,787	3,690,120	60,333	1.7%
Hospital Rate Adjustment / Taxes	22,405,885	22,540,168	134,283	0.6%
Operating Expense - Member Payments	439,994,741	454,308,587	14,313,846	3.3%
Contribution to ISF/Savings	-	-	-	0.0%
Local Contribution to State Medicaid	1,007,548	1,007,548	-	0.0%
Total Expense	\$ 481,584,318	\$ 497,278,280	\$ 15,693,962	
Revenue Over/(Under) Expense	(0)	(0)		