



NORTH COUNTRY

COMMUNITY MENTAL HEALTH

MINUTES OF THE BOARD

August 21, 2025 2:30 PM

1420 Plaza Drive, Board Room, Petoskey

Mr. Ginop called the meeting to order at 2:34 PM

ROLL CALL

BOARD MEMBERS ATTENDING: Caroline Loper, Edward Ginop, Jarris Rubingh, Michael Newman, Ron Iseler, Bob Boyd, David White, Daniel CasaSanta

BOARD MEMBERS ATTENDING VIRTUALLY:

BOARD MEMBERS ABSENT: Bob Baldwin, Annemarie Conway, Dana Wingo, Ed Belitz

STAFF: Brian Babbitt, Nancy Rhue, Tim Stapp Jr., Ann Friend, Kim Rappleyea, Joe Amy Christie, Christine Dillon, PhD, Kirstie Brady, David Hornibrook

GUESTS: Micah Haven – Grand Traverse Industries, Cindy Evans, Carrie Borowiak, Fran Damoth Bigelow, Keri Laporte-Montero

Mr. Ginop welcomed Board members and staff to the meeting. There is a quorum present.

ACKNOWLEDGEMENT OF CONFLICT OF INTEREST: Mr. White stated that he is the president of the NHCDC and as such he will not be participating in the discussion and vote from the finance committee on that proposal.

PUBLIC COMMENT: Micah Haven read the following statement "On behalf of Grand Traverse Industries, I want to again go on record stating that we are against the drastic shift North Country has proposed – eliminating all in-facility work and day program options for the majority of the 58 individuals we currently serve in Mancelona. This proposed change to 100% in-community services might look good on paper, it sounds inclusive. But in reality, it is impossible for rural communities like Mancelona to implement. Worse, it threatens to take away the essential supports your clients have relied on for decades. It is also worth noting that this model change is not being implemented statewide. Of the 4 CMHs GTI contracts with, North Country is the only one making these demands. On our recent call with MDHHS and North Country leadership, the state confirmed to both of us that disability-specific settings like GTI are not being unfunded. We believe GTI is every bit as much a community-based model as the clubhouse program- and just as essential to the people we serve and to

the community at large. For more than 35 years, with North Country's support, GTI has built something that helps your clients thrive. Dismantling it now would be both harmful and unnecessary. If this change is forced many of your clients would lose their primary community and their support network. Think about that. For the people we serve, GTI is not just about a paycheck, it is about belonging. Just this week I was talking with the mom of one of our team members. She told me that when her son comes home from GTI, all he talks about are his friends. "My friends, my friends, my friends." Her son is a man with autism who struggles with aggression, noise sensitivity...he has a lot of needs. He is not someone who would benefit from being pushed into the community five days a week. GTI is where he thrives. In conclusion, our community strongly supports the current model and programs. The individuals we serve along with their parents and guardians want these services to remain as they are. That is why we are asking North Country CMH, its leadership team, and this board to stand with us in advocating to MDHHS for GTI services to continue as the true community model they are. Don't take away what works, stand with us and your clients who rely on GTI every day. Thank you. "

CONSENT AGENDA

The consent agenda includes the agenda overview, minutes of the previous meeting, privileging recommendations and contracts signed in the past month. Items requiring approval will be placed on the meeting agenda.

MOTION BY BOB BOYD TO APPROVE THE CONSENT AGENDA; SUPPORT BY CAROLINE LOPER:

MOTION CARRIES

COMMITTEE RECOMMENDATIONS – BOARD ACTION*

Recipient Rights Advisory Committee: Mr. Iseler reviewed the minutes of the June 12, 2025 meeting.

Program Committee: Mr. Iseler reviewed the minutes of July 24, 2025. Agenda items included approval of the previous meeting minutes, the updated Resident Labor Policy, and the MDHHS Audit and Corrective Action Plan

MOTION BY DAVID WHITE TO APPROVE THE UPDATED RESIDENT LABOR POLICY; SUPPORT BY MICHAEL NEWMAN:

MOTION CARRIES

Personnel Committee: Mr. Iseler reviewed the minutes of the August 5, 2025 meeting where agenda items included approval of the previous meeting minutes, updated Tuition Reimbursement Policy, and the employee benefits pre-renewal discussion.

Mr. Babbitt stated that he needed to change “Employees who do not meet the in-state residency requirement will receive tuition equal that of in-state fees” to “Reimbursement decisions for employees who do not meet the in-state residency requirement will be based on in-state fees.”

MOTION BY JARRIS RUBINGH TO APPROVE THE UPDATED TUITION REIMBURSEMENT POLICY AS AMMENDED; SUPPORT BY DAVID WHITE:

MOTION CARRIES

Finance Committee Report: Mr. White reviewed the minutes of the August 21, 2025 meeting. Agenda items included Statement of Cash on Deposit and Disbursements through July 31, 2025; Interim Financial Statements as of June 30, 2025, Revenue and Expense by Fund Source; Trending Revenue and Expenses as of June 30, 2025, the NMRE financial report, an invoice for the upcoming CARF triennial accreditation, and a proposal for the private sale of the property on Bridge Street.

MOTION BY DAVID WHITE TO APPROVE PAYMENT OF THE CARF INTERNATIONAL SURVEY INVOICE IN THE AMOUNT OF \$19,080.00 (NINETEEN THOUSAND EIGHTY DOLLARS); SUPPORT BY JARRIS RUBINGH:

MOTION CARRIES

MOTION BY MICHAEL NEWMAN TO APPROVE PROCEEDING WITH THE TIME LIMITED PRIVATE PURCHASE AGREEMENT OF THE BRIDGE STREET PROPERTY WITH NHCDC FOR A SALE PRICE OF \$300,000.00 (THREE HUNDRED THOUSAND DOLLARS) ONLY MOVING TO PUBLICLY LISTING THE PROPERTY IN THE EVENT THAT NHCDC IS UNABLE TO FULFILL THE AGREEMENT; SUPPORT BY ROBERT BOYD

Discussion:

Mr. Rubingh stated that in finance he was opposed to the motion, he believes that private sale would increase the amount of the sale, and he believes that waiting until winter will drive down the selling price.

Mr. Iseler asked if there was any other interest or discussion on the property.

Mr. Babbitt stated that they have been in negotiations with NHCDC and originally, they wanted the sale contingent on grant funding. He does agree with Mr. Rubingh’s concerns about holding on to the house longer than expected.

Mr. Iseler asked if there would be a change in the make-up of the neighborhood if the property is sold to NHCDC.

Mr. Babbitt explained that NCCMH used it as transitional housing so neighborhood makeup would not change.

Mr. Rubingh suggested selling the house to GTI for \$300,000 and they could turn around and sell it for \$360,000 to help balance the books.

Micah Haven of GTI asked if he could reply to that statement. He stated that the program has not been sustainable since the COVID sustainability payments were ended. Current rate changes have helped but the program changes are what currently threatens the program.

ROLL CALL:

AYE: DAN CASASANTA, ROBERT BOYD, MICHAEL NEWMAN, RON ISELER, ED GINOP

NAY: JARRIS RUBINGH, CAROLINE LOPER

NOT VOTING: DAVID WHITE

ABSENT: BOB BALDWIN, ED BELITZ, ANNEMARIE CONWAY, DANA WINGO

MOTION CARRIES

Mr. Ginop requested the financial reports be placed on file for audit.

PRESENTATIONS – Family Support Subsidy – Christine Dillon, PhD- Ms. Dillon explained what the Family Support Subsidy (FSS) is and how it works. The FSS is a payment to families of qualifying children by the state of Michigan. Children do not need to be receiving services at NCCMH to qualify for the subsidy, but NCCMH facilitates the enrollment, disenrollment, and annual reenrollment of qualifying children with MDHHS. Families receive \$300.36 per month until the age of eighteen if criteria continue to be met. The FSS is not considered taxable income when determining eligibility benefits such as SSI, Medicaid, food stamps, housing, etc. Families must complete renewal paperwork annually as required for determination to continue receiving funds. In order to qualify for the FSS children or youth have to have an IEP with any of the following: severe cognitive impairment program, severe multiple impairments program, autism spectrum disorder program receiving services in a specially designed program, families must have a taxable income of \$60,000 or less, and the child must be under the age of 18. The goal of the FSS program is to reduce out-of-home placements. In 2022 the state-wide total was six out of home placements, or less than 0.2% of all children in the program. Families report high satisfaction with the FSS program overall and 75% of families reported that the subsidy supported their quality of life and the ability for them to care for their child and assisted them in meeting their child's needs. NCCMH facilitates the FSS for ninety-eight enrolled children

and youth. Of those 98, 53 are NCCMH clients. The youngest recipient is 3 years old, and the majority of recipients have a diagnosis of autism spectrum disorder.

ACTION ITEMS WITHOUT COMMITTEE REVIEW: Resolution of appreciation for Karla Sheman

Ms. Rhue read the resolution to the board.

MOTION BY DAVID WHITE TO APPROVE THE RESOLUTION OF APPRECIATION OF KARLA SHERMAN; SUPPORT BY RON ISELER:

ROLL CALL:

AYE: RON ISELER, DAN CASASANTA, JARRIS RUBINGH, DAVID WHITE, MICHAEL NEWMAN, CAROLINE LOPER, BOB BOYD, ED GINOP

NAY: NONE

NOT VOTING: NONE

ABSENT: BOB BALDWIN, DANA WINGO, ED BELITZ, ANNEMARIE CONWAY

MOTION CARRIES

FY26 General funds Contract: Mr. Babbitt explained that the FY26 General Funds contract is ready to sign in the Egrams system. He drew attention to a communication from the CMHA in the packet showing that the contract language had been reviewed and that it was CMHA's recommendation that the CMHSP's sign the contract.

MOTION BY JARRIS RUBINGH TO APPROVE MR. BABBITT SIGN THE FY26 GENERAL FUNDS CONTRACT; SUPPORT BY ROBERT BOYD:

MOTION CARRIES

CHIEF EXECUTIVE OFFICER'S REPORT/COMMUNICATIONS

Mr. Babbitt referred to several items in his report. On July 21st he met with architect Rick Skendzel regarding the Kalkaska build. The main issue driving up the cost is site preparation. Mr. Babbitt and Mr. Skendzel talked about adjusting the square footage of the building to reduce costs as well. Mr. Babbitt looked at 2 properties for sale, one could work for offices. Mr. Babbitt drew attention to the benefits pre-planning meeting with Alera group on July 29th. He states that the agency will be bringing a budget to the board in September without solid numbers as the state will not have their budget done until after October 1st and the benefit renewal is likely to be high. Mr. Babbitt drew attention to the ORR exit conference for the Tri-annual review. NCCMH was found to be substantially in compliance. There have been several changes to the review process itself and changes with NCCMH's

ORR staff since the last review. Mr. Babbitt drew attention to the Citizens Research Council of Michigan budget note regarding HB1 that was included in the packet. He drew attention to the Insurance Provider Assessment (IPA) which levies a tax on Michigan's health insurers. CMS issued a proposed rule on March 15, 2025. This proposed rule would immediately prohibit Michigan from accessing the IPA once it becomes effective. Losing the ability to access the IPA as a Medicaid fund source will have serious consequences for the state. Once the tax is gone, Michigan will likely have to shift General funds revenue to Medicaid to backfill the loss or absorb a roughly 1 billion dollars hit to the Medicaid program. Mr. Babbitt drew attention to the FY2023 GF settlement letter from MDHHS. He also drew attention to the MMRMA valuation report included in the packet and highlighted an article about Otsego County's new Human Services officer. He stated that the new center supervisor in Gaylord will be reaching out to make a connection there.

QUALITY IMPROVEMENT UPDATE – Ms. Christie shared the FY25 Q2 performance indicators with the board. NCCMH performed above the NMRE average for eleven indicators, including for 3 of 4 populations for intake assessments and first service appointments, all populations for discharge appointments in less than 7 days and inpatient recidivism in less than 30 days. NCCMH continues to provide a higher number of Medicaid recipients as compared to most of the other CMHSPs in Region 2. NCCMH improved on all indicators for Quarter 2 of FY25. The Utilization Management team and clinical leadership will continue to take steps for continued improvement.

NORTHERN MICHIGAN REGIONAL ENTITY: The Draft Minutes of the May Board Meeting, June Operations committee minutes, and Interim Financial Report are included in the packet.

OLD BUSINESS – PIHP Procurement: Mr. Babbitt drew attention to several emails from CMHA. There has been a lot of discussion on how they are going to handle it from a litigation standpoint. Mr. Babbitt states there is a robust complaint for an injunction at a regional level. CMHAM is also pursuing litigation and has asked for a special assessment from the CMHSPs to assist in the legal fees. Mr. Babbitt stated that he would like to join the regional litigation but is not fully on board with CMHAMs proposed legal strategy.

MOTION BY CAROLINE LOPER TO APPROVE JOINING REGIONAL LITIGATION AGAINST THE MDHHS PIHP COMPETITIVE PROCUREMENT PROCESS; SUPPORT BY ROBERT BOYD

MOTION CARRIES

MOTION BY JARRIS RUBINGH NOT TO APPROVE THE SPECIAL ASSESSMENT TO CMHAM; SUPPORT BY DAVE WHITE:

MOTION CARRIES

NEW BUSINESS – None

BOARD & STAFF COMMENTS – Mr. Boyd suggested that Mr. Iseler chair the Personnel Committee and be considered for Vice Chair following the resignation of Karla Sherman.

Mr. Ginop asked that any interested parties for Vice Chair, Chair of the Personnel Committee, and the vacancy on the NMRE board following Ms. Sherman's resignation from the NCCMH Board of Directors see him after the meeting.

ADJOURNMENT

The meeting was adjourned at 3:57 PM by Board Chair Ed Ginop.



Jarris Rubingh, Board Vice Chair