

A Difficult Fiscal and Policy Environment

Brad Casemore, Chief Executive Officer

Federal Developments

An immediate threat to public behavioral health services relates to White House and Congressional intent to reconfigure and reduce federal Medicaid funding. Michigan Medicaid has a 65% federal financial participation rate and the Healthy Michigan Plan has a 90% federal financial participation rate. One or more approaches to reducing federal Medicaid funds to states may occur. Should these federal funds be reduced the state would have to find General Funds to cover the federal revenue reductions, cease the Healthy Michigan Plan, reduce Medicaid and/or Healthy Michigan Plan eligibility categories, service arrays or some combination of these and other approaches fully or partially. We will of course monitor and report.



Multiple federal agencies directly related to SWMBH funding and policy have been impacted by reductions in force including but not limited to Health and Human Services, Center for Medicare and Medicaid Services, Substance

Abuse and Mental Health Services Administration. For example 100 people a tenth of the workers at SAMHSA have been laid off or fired certain to interrupt 988 crisis line operations, grant-making and grant supports.

The CMS Innovation Center has announced the cessation and early end to multiple existing and emerging demonstrations and pilot programs. Models Identified to end early include

- Maryland Total Cost of Care (2019 - 2026)
- Primary Care First (2021 - 2026)

- ESRD Treatment Choices (2021 - 2027; will propose termination through rulemaking)

• Making Care Primary (2024 - 2034)
The CMS Innovation Center is considering options to reduce the size of Integrated Care for Kids (2020 – 2026) and will no longer pursue two previously announced but not yet implemented models the Medicare \$2 Drug List and Accelerating Clinical Evidence.

On March 27 US Health and Human Services announced the cancellation of COVID era Block Grants and the reduction of HHS staff by 20,000 from 82,000 to 62,000. It remains to be seen what the direct and indirect impacts on SWMBH and our providers will be.

Expect more federal program suspensions and terminations to be announced.

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A Difficult Fiscal and Policy Environment Continued

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State Developments

On February 28 MDHHS released an announcement initiating a competitive procurement process for the state's Pre-Paid Inpatient Health Plan (PIHP) contracts presumably for a switch effective October 1, 2026. Little is known about the rationale and objectives of this approach. No information about bidder qualifications has been released. While some have declared this won't occur this PIHP must assume there is some likelihood of this coming to fruition. Obviously, this has significant disruptive impacts on PIHP strategic planning, goals, investments and of course staff professional and personal plans. We have warned the state of the now natural and probable result of PIHPs both losing competent staff and being unable to hire competent staff.

Regional Developments

SWMBH had a brutal financial year in fiscal year 2024 which ended September 30, 2024. Medicaid programs finished the year with a \$30 million loss, full use of our Internal Service Fund and entry into the state's risk corridor of \$10 million. We informed MDHHS in April 2024 and have held multiple meetings with MDHHS and Milliman the state's actuary.

Multiple factors contributed to this situation chief among them under-estimated Medicaid capitation revenues combined with elevated expenses compounded over several years.

- ⇒ Significant declines in Medicaid redeterminations, eligibles and related revenues.
- ⇒ Double digit inflation in healthcare staffing

and other costs.

- ⇒ Pent up previously existing and new need and demand that emerged and remains subsequent to the COVID-19 pandemic Public Health Emergency.
- ⇒ Cessation of federal American Rescue Plan and other resource infusions during the Public Health Emergency period.
- ⇒ The number of individuals served by SWMBH has continued to increase in 2025 over 2024 resulting in increased costs.
- ⇒ MDHHS has shifted the cost of caring for individuals experiencing the most acute need closing and limiting admissions to the state hospitals. This has shifted the cost of care from General Fund to Medicaid in millions of dollars and resulted in higher demand for community inpatient psychiatric hospitals at rates three to four times higher than state hospital rates.
- ⇒ MDHHS failed to release approximately \$62 million of appropriated behavioral health Medicaid funds in fiscal year 2024.

Fiscal year 2025 financial projections continue to worsen with a probable entry into the state risk corridor of \$24 million or so by year's end. We continue to meet with MDHHS and Milliman thus far to no avail. SWMBH CEO Bradley Casemore testified at the Michigan House **Medicaid and Behavioral Health Appropriations Subcommittee** on March 11, 2025 regarding the specifics on SWMBH financials and related circumstances at other PIHPs – most PIHPs have same or similar financial circumstances.



Call Center Corner

Beth Guisinger, Director of Utilization Management

Level of Care and Medical Necessity Criteria

Southwest Michigan Behavioral Health (SWMBH) is committed to ensuring each Medicaid beneficiary receives the services best designed to meet their individual needs as identified through the Level of Care assessment process. Any individual requesting treatment services are screened for the most appropriate level of care based on their presented needs.

The current level of care placement tools used as required by Michigan's Department of Health & Human Services (MDHHS) are the following:

- LOCUS (Level of Care Utilization System) for adult mental health, ages 18+
- ASAM-PPC (American Society for Addiction Medicine – Patient Placement Criteria) for substance use disorders, adults ages 18+
- MichiCANS (Michigan Child and Adolescent Needs and Strengths) for infants, toddlers, children, youth, and young adults ages birth to 21
- CAFAS/PECFAS (Child and Adolescent Functional Assessment Scale/Preschool and Early Childhood Functional Assessment Scale) for 1915 (i) and SEDW eligibility determinations
- MCG (Milliman Care Guidelines) for emergent/

urgent inpatient hospitalization, partial hospitalization, and crisis residential medical necessity determinations, all ages

The SIS (Supports Intensity Scale) has not been replaced by MDHHS since the contract lapsed for use in 2022. The current MDHHS plan to implement the use of WHODAS (World Health Organizations Disability Assessment Schedule) is not scheduled to begin until SFY26, October 1, 2025.

To ensure adequate and uniformed benefits for members, SWMBH utilizes medical necessity criteria to ensure service authorization requests are appropriate based on level of care principles and ensure the intensity of services provided are consistent with the severity of illness. The current medical necessity criteria being utilized through SWMBH's Central Care Management and Outlier Management processes are MCG (Milliman Care Guidelines) for emergent behavioral health services and ASAM-PPC for substance use services. MCG and ASAM-PPC medical necessity criteria may be obtained by providers by request, if needed. To obtain the most current medical necessity criteria, **please contact the Utilization Management Provider line at (800) 676-0423. Press prompt 1 for Providers.**

Walk a Mile in My Shoes Rally

Kimberly Whittaker, Customer Support Specialist

Join us in celebrating the 21st Annual Walk a Mile in My Shoes Rally at the state Capitol in Lansing, as we educate the public about behavioral health and intellectual and developmental disabilities issues and concerns.

Wednesday, September 17, 2025

**21st Annual Walk A Mile Rally
Capitol Building Lansing, Michigan**



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SWMBH Annual Quality Assurance and Performance Improvement Program Plan and Evaluation

Marissa Miller, Quality Assurance and Performance Improvement Manager

The Michigan Department of Health and Human Services (MDHHS) requires that each specialty Prepaid Inpatient Health Plan (PIHP) has a documented Quality Assurance and Performance Improvement Program (QAPI) that meets contract, state, and federal requirements. Southwest Michigan Behavioral Health's (SWMBH) Board of Directors have the authority over the quality program, and they review SWMBH's QAPI Evaluation and approve the QAPI Plan on an annual basis.

SWMBH uses the QAPI Plan and Evaluation to assure all contractual and regulatory standards required, including responsibility and oversight of the eight Community Mental Health Service Programs (CMHSPs) in the region, are met and to promote high quality member service and outcomes by monitoring key performance indicators and using system-wide approaches to continuous quality improvement efforts. The QAPI Plan describes the purpose, authority, guiding principles, how SWMBH adopts and communicates improvement efforts, and the role of providers and members in the process.

The following categories are included in the QAPI Plan and Evaluation:

- Michigan Mission Based Performance Indicator System (MMBPIS)
- Performance Bonus Incentive Program (PBIP)
- Performance Improvement Projects (PIPs)
- Critical Incident, Sentinel Event, and Risk Event Management

- Behavior Treatment Review
- Customer Satisfaction Survey
- Recovery Self-Assessment, Person in Recovery version (RSA-r) Survey
- Verification of Medicaid Services
- Provider Network Adequacy Evaluation
- Administrative and Delegated Function Site Reviews



- Credentialing and Re-Credentialing
- Clinical Practice Guidelines
- Care Management Program
- Long-Term Services and Supports (LTSS)
- Utilization Management
- Customer Services
- Integrated Health Initiatives
- External Quality Monitoring and Audits
- Cultural Competency

More information related to the QAPI standards can be found in SWMBH policies, procedures, and Department plans. The full FY25 Quality Assurance and Performance Improvement Program Plan and full FY24 Quality Assurance and Performance Improvement Program Evaluation reports can be accessed for review on SWMBH's website by clicking this link: <https://www.swmbh.org/members/quality-surveys/>. The documents will also be provided upon request.

2024 Member Experiences With Services Surveys

Marissa Miller, Quality Assurance and Performance Improvement Manager

Southwest Michigan Behavioral Health (SWMBH) offers annual surveys to members to assess their satisfaction with care and services. Those surveys include the Customer Satisfaction Survey (which is the Mental Health Statistics Improvement Program (MHSIP) survey for adults and the Youth Services Survey (YSS) survey for youth), as well as the Recovery Self-Assessment, revised (RSA-r) Survey which is for individuals receiving Substance Use Disorder (SUD) services. The results of each survey are reviewed with the applicable Community Mental

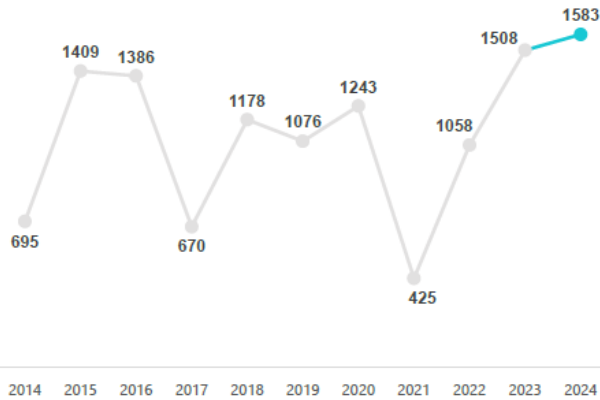
Health Service Programs (CMHSPs) and SUD Providers, and opportunities for improvement are identified and actions are taken to improve in those areas. Below is a short summary of the 2024 survey results. Full results and more details related to each are available for review by survey and within SWMBH's Quality Assurance and Performance Improvement Program (QAPI) Evaluation on SWMBH's website: [Quality & Surveys | Southwest Michigan Behavioral Health](#)

Adult Customer Satisfaction Survey Results – MHSIP

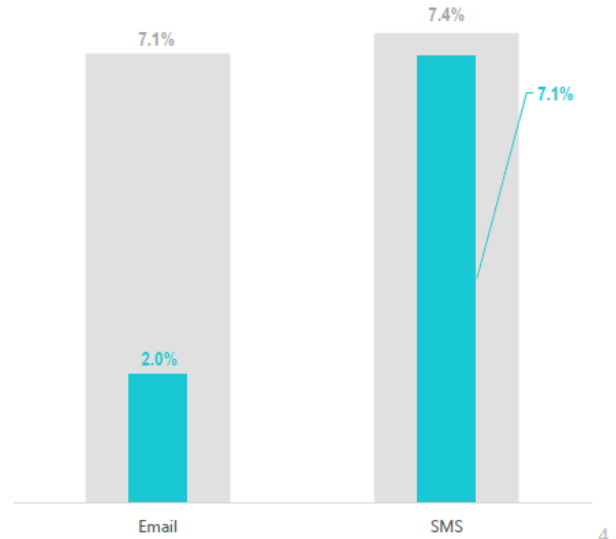
Highest number of responses ever recorded for 2024 MHSIP

Email response rate dropped 5 points to 2% in 2024, but SMS response rate held steady

MHSIP # of responses, 2014-2024

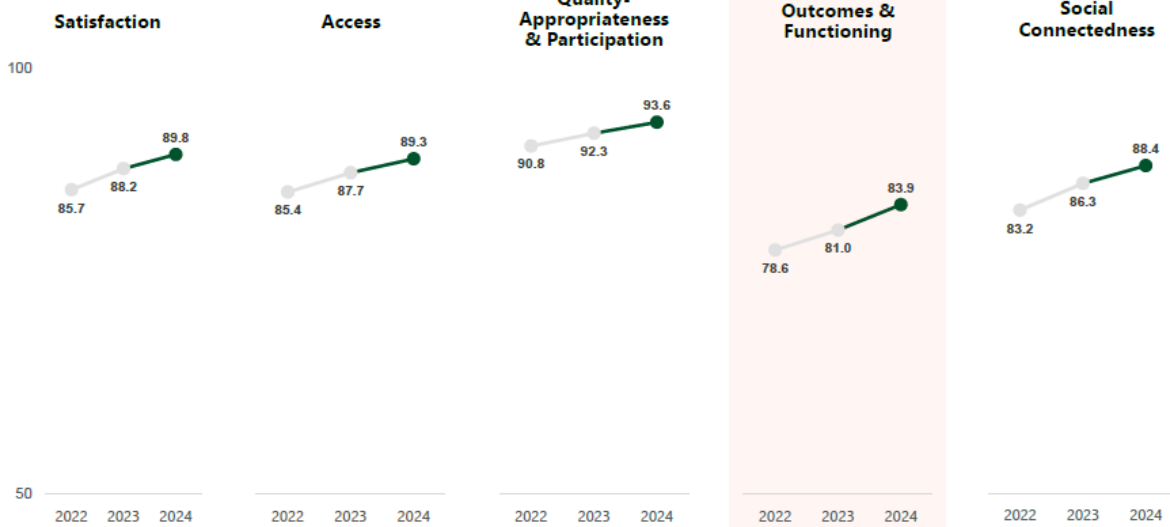


MHSIP response rate by medium 2023 vs. 2024



Adults' outcomes & functioning improved from 2023 to 2024

Difference in constructs other than Outcomes & Functioning not statistically significant at 95% confidence.



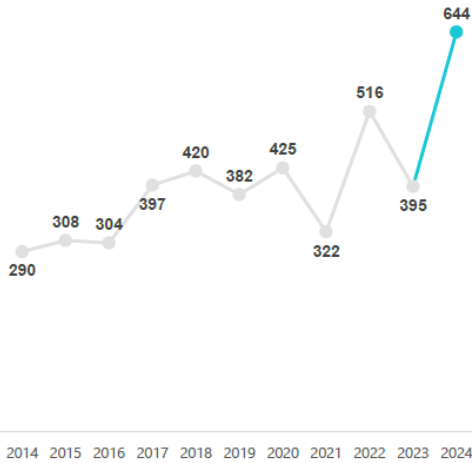
Statistically significant difference (p < .05) between this year and previous year

Youth Customer Satisfaction Survey Results – YSS

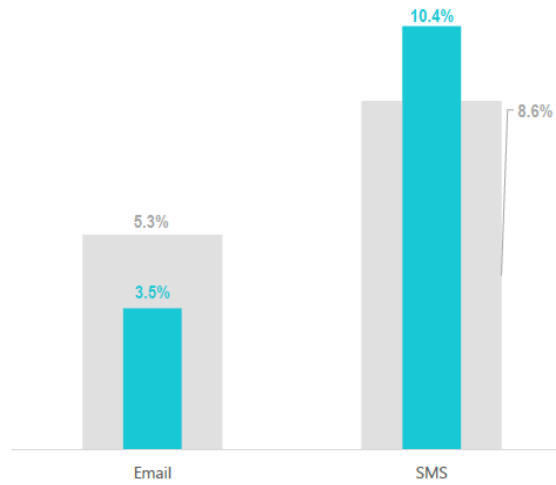
YSS number of responses hit highest ever recorded in 2024

Only 44 (6.8%) of total YSS responses came from in-office QR codes, paper surveys, and the website link.

YSS # of responses, 2014-2023

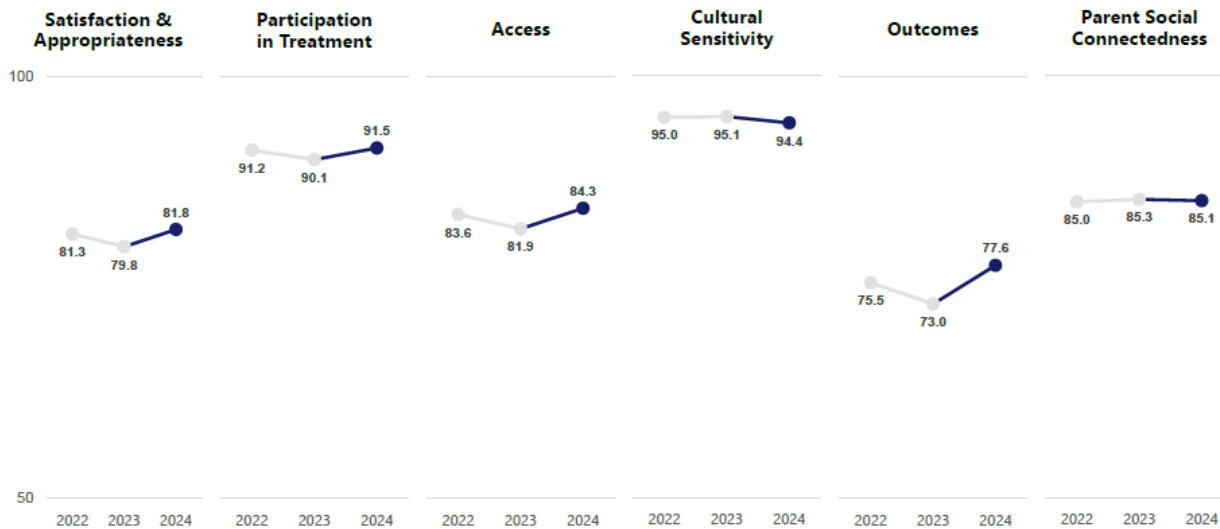


YSS response rate by medium
2023 vs. 2024

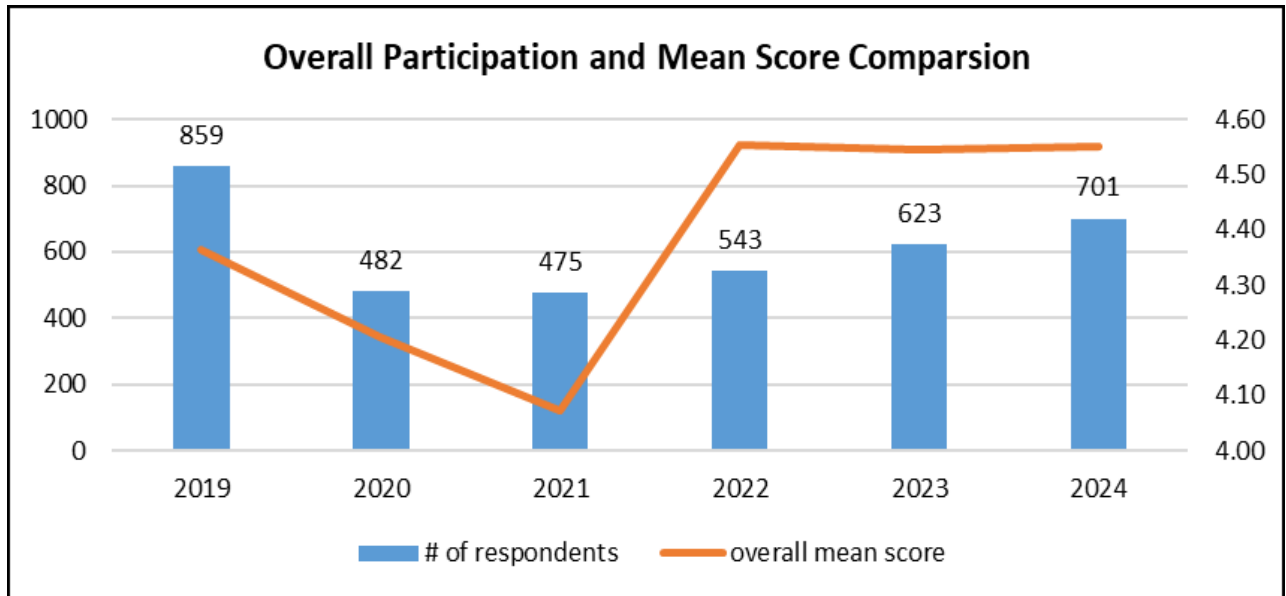


Overall, YSS saw similar ratings from 2022-2024 (no statistical difference)

YSS scores by construct for previous 3 years. Differences in constructs between years are not statistically significant.

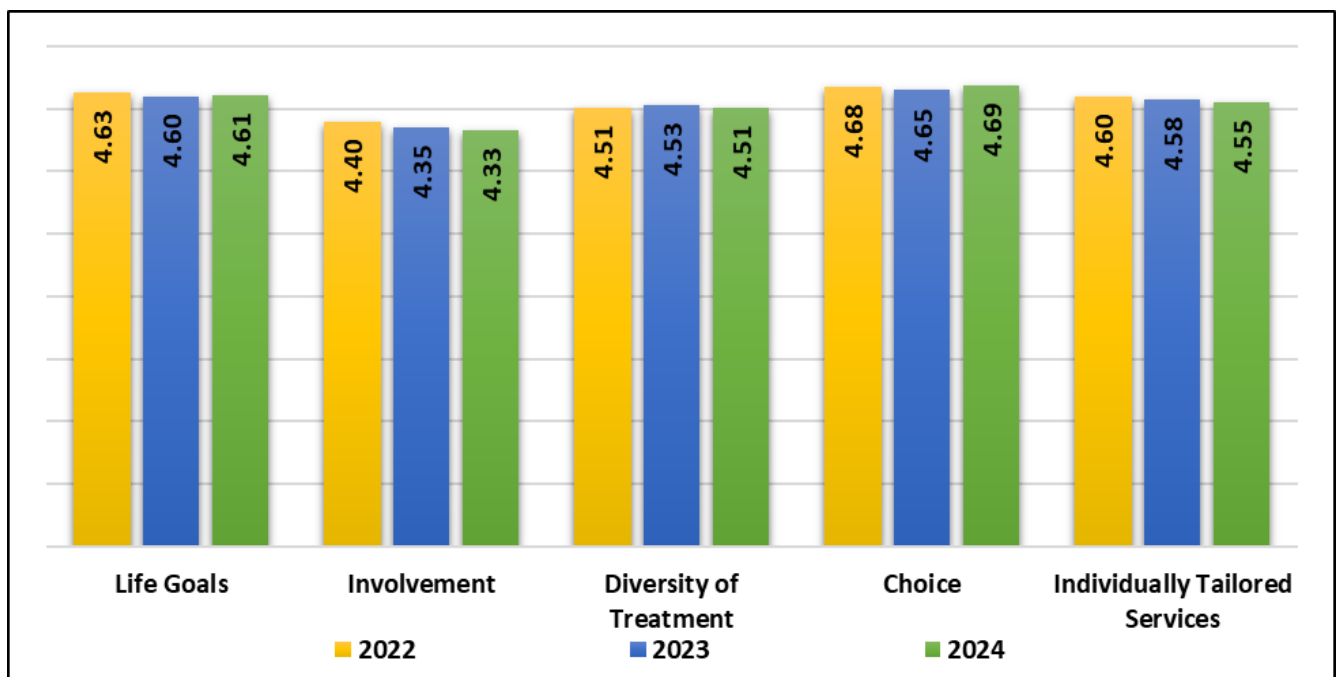


Recovery Self-Assessment, Revised (RSA-r) Survey Results



FY24 Overall Mean Score: 4.55

SWMBH Annual Mean Response by Subcategory



Upcoming Trainings

⇒ Bridging the Gap: A Virtual Health Equity Series

Targeted Audience: Providers

Additional Information: Registration is required. Certificates of attendance will be issued upon verifying completion of attendance requirements. Up to 7 hours of CEU's are available.

Registration Link: <https://us06web.zoom.us/join/register/aWacqX2IRPKQgWXEYajHZQ>

Featured Speakers and Topics: Choose to attend one or more of the trainings:

- April 8th 11:00am-1:00pm, "Broaching as a Strategy to Address Implicit Bias in Mental Health", Dr. Char Newton
- April 15th 1:00pm-2:30pm, "Eliminating Disparities and Leading with Health Equity and Justice: Mental Health and Substance Use Disorders in the Hispanic/Latino/x/e Community" (Part 1), Dr.

Haner Hernandez

- April 17th 10:00am-11:00am, "Structural Competence: Understanding Structural Determinants of Health in Mental Health Care" (Part 1), Dr. Melanie Wilcox
- April 22nd 1:00pm-2:30pm, "Eliminating Disparities and Leading with Health Equity and Justice: Mental Health and Substance Use Disorders in the Hispanic/Latino/x/e Community" (Part 2), Dr.

Haner Hernandez

- April 24th 10:00am-11:00am, "Structural Competence: Understanding Structural Determinants of Health in Mental Health Care" (Part 2), Dr. Melanie Wilcox
- May 13th 2:00pm-3:00pm, "Supporting LGBTQ White Navigating a Changing Landscape", Dusty Jepkema

⇒ Social Work Ethics and Pain Management. Multiple dates. Please only register for one. Targeted audience Social Workers. Login 8:00am. Training starts promptly at 8:15am-4:45pm. Live virtual training. "Social Work Ethics and Pain Management" will examine ethical dilemmas faced by social workers and other clinicians who work with adults with psychiatric disorders and/or substance use disorders. Training Objectives: 1. Practice providing feedback to consumers, students, and colleagues in a way that enhances learning and upholds ethical and licensure standards. 2. Develop a plan to incorporate small supervision and practice changes to impact inclusion of diverse student, client, and worker groups into social work practice. 3. Demonstrate methods to resolve ethical dilemmas that involve more than one ethical imperative. 4. Learn and practice screening strategies, and key points to collaborate with consumers, prescribers, and other treatment providers

to assess and lower risk of opiate related overdose deaths. 5. Evaluate and implement non-pharmacological pain management strategies for individuals with behavioral health needs. 7CE's (5 for Ethics and 2 for Pain Management) SWCEU & MCBAP specific credits offered.

Training date: Thursday June 12th, 2025

Training time: Login 8:00am. Training starts promptly at 8:15am-4:45pm

Registration link: <https://us06web.zoom.us/join/register/LREKKAG9SCmoQRWnzAQFAg>

⇒ Save the date: Flip the Script Symposium event: Bridging The Gap For A Healthier Future.

This symposium is aimed to address racial & ethnic disparities in the behavioral health system. Attendees will have the opportunity to engage in thought-provoking discussions, while gaining insight from several renowned local speakers who are passionate about challenging stigma and breaking down barriers to seeking care.

When: Wednesday June 18th 8:00am-4:30pm

Where: Fetzer Center WMU Campus 2251 Business Court Kalamazoo MI 49008. Free parking in designated parking lot for Fetzer Center

Additional details: Lunch will be provided. CEU's will be offered.

⇒ Human Trafficking Target audience anyone working in Healthcare. 2 hours. 9:00am-11:00am. Live virtual training. Human trafficking is a key issue of social, racial, and economic justice internationally and in the United States. Social workers are often well positioned to both intervene effectively in individual cases of human trafficking as well as to develop policies, which make human trafficking less possible in our communities. **Speaker:** Rosemary Andrews received her Master of Social Work from Western Michigan University in 2019 and is a Licensed Master Social Worker. Rosemary continues her time with WMU working at Sincdecuse Counseling Center as a Counselor. She is also a part time instructor in the School of Social Work and enjoys teaching undergrad social work students.

Training date: Friday August 22nd, 2025

Training time: 9am-11am

Registration link: <https://us06web.zoom.us/join/register/X76nl3ziQpeyEf6F3UHnAQ>

SOUTHWEST MICHIGAN BEHAVIORAL HEALTH

Quality and Excellence through Partnerships

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WE'RE ON THE WEB!

WWW.SWMBH.ORG

Check out the SWMBH Provider Manual and Provider Directory, on our SWMBH website: www.swmbh.org. The website contains information about the SWMBH policies and procedures as well as helpful information on topics such as provider responsibilities, customer rights, utilization management and other helpful material.



Do you wish to stay up-to-date on SWMBH Trainings? If YES, please submit your name and the organization you work for to traininginfo@swmbh.org with a request to be added to the training email list. This will allow SWMBH to send to you information on all the latest and greatest training/webinar opportunities.

Southwest Michigan Behavioral Health (SWMBH) is the Prepaid Inpatient Health Plan (PIHP) for eight Michigan counties, and is in partnership with the Community Mental Health (CMH) agencies of these counties. SWMBH, in partnership with the CMH's and local providers, provides mental health services to adults with severe and persistent mental illness, children with severe emotional disturbance, individuals with developmental disabilities, and individuals with substance use disorders. As the manager of services, SWMBH will make sure that services are provided to you based on your needs and goals and are within the guidelines set by the state of Michigan. SWMBH strives to ensure that you and your family members are treated with dignity and respect.



If you have a compliance-related question or concern, or to file a compliance report, you can do so in the following ways. Contact Mila Todd, SWMBH's Chief Compliance Officer, email Compliance at swmbhcompliance@swmbh.org or report anonymously by calling 1-800-783-0914. You can also file a report directly with the MI Office of Inspector General, by using the information on their website: <https://www.michigan.gov/mdhhs/inside-mdhhs/office-of-inspector-general/contact-us>