Whereas on June 28th to the Michigan Department of Health and Human Services (MDHHS) notified the Lakeshore Regional Entity (LRE), its member Community Mental Health organizations, and the general public regarding its intent to terminate the specialty Prepaid Inpatient Health Plan contract with the LRE effective September 30, 2019.

Whereas this proposal, by the Michigan Department of Health and Human Services (MDHHS), causes a great deal of unnecessary chaos and conflict for the over 250,000 Medicaid recipients within the 7 counties in Lakeshore Regional Entity.

Whereas this proposal eliminates local public governance of the public behavioral health system – one of the foundations of Michigan’s nationally recognized behavioral health system for the past 50 years – and replaces it with a state-appointed advisory group.

Whereas this proposal does not get to the root cause of the fiscal distress of Lakeshore Regional Entity nor of the other Prepaid Inpatient Health Plans (PIHPs) facing such distress – inadequate funding over a sustained period. Without adequate funding, as required by the Michigan Mental Health Code and Michigan’s Medicaid Plan, the Lakeshore system and others who have been underfunded – regardless of the greater involvement of the state in the operation of the local public system – will be unable to pay providers and provide behavioral healthcare services to persons entitled to such services.

Whereas a better plan could be achieved sooner, simpler, and more directly without eliminating the local public control of the public behavioral healthcare system in this region. This plan would include, MDHHS joining Lakeshore and Beacon in a three-way contract co-managing the benefit in the region.

Whereas a three-way contract maintains the momentum already achieved by the Lakeshore / Beacon partnership; maintains the local public governance of the public behavioral health system; and prevents the unnecessary chaos that the MDHHS proposal would create.

Therefore be it resolved that the network180 Board of Directors stands in opposition to the termination of the MDHHS contract with the Lakeshore Regional Entity and urges the Department to continue working with the LRE to resolve issues of concern.