

MAY 4, 2021



BOARD POLICIES MANUAL

SUMMIT POINTE
140 W. MICHIGAN AVE., BATTLE CREEK, MI

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POLICY MANUAL

Section: Governance Process **Policy Title: Governance Commitment**

Author: Summit Pointe Board of Directors
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Number 01-001
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The Board, on behalf of the citizens of Calhoun County, will govern Summit Pointe with a strategic perspective through a continuously improving commitment to the vision, mission, and value of the organization.

This Policy Manual of the Summit Pointe Board of Directors (herein the “Policy Manual”) is intended to provide a framework within which the Board’s directors and officers will be guided in carrying out the above-stated governance commitment, their oversight and fiduciary duties, and any other actions, decisions, or conduct taken on behalf of the organization. The policies herein, however, are adopted subject to any applicable federal, state or local law and the Bylaws of Summit Pointe. Whenever any policy in this Policy Manual may conflict with any applicable law or Summit Pointe Bylaw, such conflict shall be resolved in favor of such law or bylaw.



POLICY MANUAL

Section: Governance Process **Policy Title: Governing Style**

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Number 01-002
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The Board will govern with:

- An emphasis on outward vision rather than an internal operations;
- Encouragement of diversity in viewpoints;
- Strategic leadership rather than administrative detail;
- Clear distinction of Board and Chief Executive roles;
- Collective rather than individual decisions; and
- A proactive approach rather than a reactive one.

In doing so, the Board will:

- Deliberate in many voices, but govern in one.
- Cultivate a sense of group responsibility. The Board, not the staff, will be responsible for excellence in governing. The Board will be the initiator of policy, not merely a reactor to staff initiatives. The Board will use the expertise of individual members to enhance the ability of the Board as a body, rather than to substitute the individual judgments for the Board's values.
- Direct, control, and inspire the organization through the careful establishment of broad written policies reflecting the Board's values and perspectives. The Board's major focus will be on the intended long-term impacts outside of the operating organization, not on the administrative or programmatic means of attaining those effects.
- Enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policy-making principles, respect of roles, and ensuring continuity of governance capability. Continual Board development will include orientation of new members in the Board's governance process and periodic Board discussion of process improvement. The Board will allow no officer, individual, or committee of the Board to hinder or be an excuse for not fulfilling its commitments.
- Regularly monitor and discuss the Board's process and performance. Self-monitoring will include comparison of Board activity and discipline to policies in the Governance Process and Board-Staff Linkage categories.



POLICY MANUAL

Section: Governance Process Policy Title: Board Job Description

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The responsibility of the Board is to represent the citizens of Calhoun County in determining and demanding appropriate organizational performance.

To distinguish the Board's responsibilities as compared to the staff, the Board will concentrate its efforts on the following:

- The link between the organization and the citizens of Calhoun County.
- Written governing policies which at the broadest levels address:
 - Goals: Organizational services, impacts, benefits, outcomes, recipients, and their relative worth.
 - Oversight: Constraints on executive authority which establish the prudence and boundaries within which all executive activity and decisions must take place.
 - Governance Process: Specification on how the Board conceives, carries out, and monitors its own tasks.
 - Board-Staff Linkages: How power is delegated and its proper use monitored; the CEO role authority and accountability.
- The assurance of CEO performance related to the above bullet points.

The Board of Directors will carry out its role and responsibilities in a manner that is consistent with all applicable law, including, but not limited to, the Michigan Mental Health Code, and also in accordance to the following core fiduciary duties:

- **Duty of Care.** Each director shall exercise the proper level of care in the decision-making process by acting (a) in "good faith" (i.e., in the absence of any personal benefit or self-dealing); and (b) with a level of care that an ordinary prudent and loyal director would exercise under similar circumstances in a like position (e.g., the obligation to be reasonably informed and to exercise reasonable inquiry).
- **Duty of Loyalty.** Each director is obligated to exercise his or her obligations and authority in a manner that they reasonably believe is the best interest of the organization

and its mission; not in his or her own personal interest or in the interest of another entity or person.

The Directors will not have day-to-day responsibility for the management of the organization or its programs.

Prospective and incumbent board members should commit themselves to the following:

- Learn and understand the organization's mission, history, policies, programs, services and strategic needs, including through participation in a board-member orientation.
- Perform the duties of a board member responsibly and conform to the level of competence expected from board members as outlined in the duties of care and loyalty above.
- Prepare for board and committee meetings, and to participate in policy discussions and decision-making required for governance excellence within the organization.
- Serve in leadership positions as a committee chair or participate on board committees.
- Suggest agenda items periodically for board and committee meetings to ensure that significant, policy-related matters are addressed.
- Know the difference between the board's role as compared to the role of the CEO and management.
- Appreciate the confidential nature of the services provided by Summit Pointe and protect the privacy interests of its consumers.
- Maintain confidentiality of the Board's closed sessions, and speak for the Board and organization only when authorized to do so consistent with these Board policies.



POLICY MANUAL

Section: Governance Process Policy Title: Chairperson's Role

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Page: 1 of 1

The Chairperson assures integrity of the Board's process and, secondarily, occasionally represents the Board to outside parties. The Chairperson is the only Board member authorized to speak for the Board (beyond simply reporting Board decisions), unless specifically authorized by the Board Chair.

The job of the Chairperson is to maintain conduct consistent with the Board's own rules and those legitimately imposed upon it from outside of the organization.

In presiding over Board meetings, the Chairperson shall promote deliberations that are fair, open and thorough, but also efficient, timely, orderly, and to the point. The Chairperson is also empowered to chair Board meetings with all of the commonly accepted power of that position (e.g. ruling, recognizing, agenda-setting, etc.).

The Chairperson has no authority to make decisions about policies created by the Board within Goals and Oversight Policy areas. Therefore, the Chairperson has no authority to supervise or direct the CEO.

The Chairperson may represent the Board to outside parties in announcing Board-stated positions and in stating Chair decisions and interpretations within the area delegated to him/her. The Chairperson may delegate this authority, but remains accountable for its use.

The Chairperson is an ex-officio member of all committees.

The Chairperson may exercise any other authority set forth in the Bylaws of Summit Pointe.



POLICY MANUAL

Section: Governance Process **Policy Title: Board Committee Principles**

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Notwithstanding the basic obligations of the Directors as set forth in these policies, it is an appropriate and reasonable exercise of the Board's fiduciary duty to delegate responsibility for the review and consideration of certain matters to committees designated by the Board of Directors for such purpose or as set forth in the Bylaws of Summit Pointe.

Board Committees shall be used to ensure that critical Governance activities are consistently addressed and given proper focus and attention in order to keep the organization on track with respect to compliance requirements and strategic goals. Committees of the Board shall take one of two forms:

- Standing Committee, a permanent committee created to assemble information and make recommendations concerning specific activity of the organization. These committees are found in the Bylaws.
- Special Committee, a committee formed to perform a specific or limited function.

Unless expressly authorized by the Board of Directors, the work of Board committees is advisory in nature and not subject to the Open Meetings Act. Where the Board delegates decision-making authority to a standing or special committee, the committee's meetings related to that purpose shall be open to the public after providing the required public notice.

The work of the Board Committees are on behalf of the Board and there will be an expectation that the work of the Committee is supported by the Board of the whole.



Section: Governance Process
Policy Title: Committee Structure

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Page: 1 of 2

There are hereby established as committees of the Board of Directors an Audit/Finance Committee, a Compliance Committee, and a Human Resources Committee, each of which shall have the powers and functions set forth in Sections 4.2 and 4.3 of the Bylaws, and such additional powers as may be delegated to it by the Board of Directors, including as set forth in this and other Policies of the Board.

The Board of Directors may from time-to-time establish additional standing or special committees, including, without limitation, an executive or nomination committee, each of which shall have such powers and functions as may be delegated to it by the Board of Directors.

Audit/Finance Committee –

The Audit/Finance Committee from time to time shall: (a) recommend a firm to be employed as the Agency's independent auditor, and review and approve the compensation, terms of engagement, and the discharge of any such firm; (b) review, in consultation with the independent auditor, the results of each audit of the Agency, the report of the auditor, any related management letter, and management's response to recommendations made by the independent auditor; (c) review and report to the Board of Directors with respect to the financial portions of the Agency's annual report; (d) review, before or after publication, the Agency's monthly or other interim financial statements; consider, in consultation with the independent auditor and the Agency's finance director, the adequacy of the Agency's internal accounting controls; (f) review and recommend to the Board of Directors an annual budget for the Agency; and (g) have the power to inquire into any financial matters of the Agency in addition to those set forth above.

Human Resources Committee –

The Human Resources Committee shall have the following responsibilities: review, develop, and recommend to the Board annual job performance goals and objectives for the Chief Executive Officer (CEO) and periodically evaluate and report to the Board on the CEO's progress and performance in relation to those goals and objectives; annually review and recommend to the Board the CEO's salary and any annual performance incentive payment; review comparative-market salary ranges for senior leadership, leadership, and other non-union administrative salaried positions and recommend any changes to the Board before each fiscal year; make a recommendation to the Board regarding annual performance incentive payments for senior leadership, leadership, and non-union administrative salary positions; conduct an annual review of the organization's benefits programs in the aggregate and report any recommended changes to the Board; review and recommend to the Board any proposed changes to retirement, pension, or other welfare plans or programs for employees; review and recommend to the Board employment contract templates for management, administrative positions, physicians, and similar positions;

review and make recommendations to the Board regarding collective bargaining; assist in the development of a succession plan as required in Board Policy No. 03-006; and perform any other functions as the Board may from time to time assign to the Committee. The Committee must make any recommendation concerning the salary of the CEO at least thirty (30) days before the end of Summit Pointe's fiscal year as set forth in Section 7.1 of the Bylaws.

Corporate Compliance Committee –

The Corporate Compliance Committee designs and develops the Agency's Compliance Program with input from the Chief Executive Officer, Finance Director, Deputy Director and Compliance Officer. The Compliance Program is intended to ensure that the Agency and its employees follow the ethical and legal rules that apply to Summit Pointe, including, without limitation, the federal False Claims Act, the Medicare and Medicaid Anti-Kickback Act, the Stark Self-Referral Act, the Michigan Medicaid False Claims Act, the Michigan Mental Health Code, and the Health Insurance Portability, Affordability, and Accountability Act of 1996 (HIPAA). The Compliance Officer reports directly to the Chief Executive Officer, but also has direct access to the Corporate Compliance Committee, the Board of Directors, and General Counsel.



POLICY MANUAL

Section: Governance Process **Policy Title: Annual Board Planning Cycle**

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Page: 1 of 1

The Board's annual schedule/calendar shall begin each year with its annual meeting on the first Tuesday in May. The Board begins its year by, among other things, electing officers, acknowledging any newly appointed or re-appointed members, and taking any other actions required by the Bylaws of Summit Pointe.

Within the first two months of the new cycle, the Board Chair shall appoint the standing committee assignments for the ensuing one-year period. Members assigned as Committee Chairs must be approved by the Board.

The committee meetings and full Board meetings will be structured to allow sufficient time for education, input, discussion and deliberation of the issues brought before the Board of Directors. At the discretion of the Board Chair, time for discussion and deliberation may be limited. Debate on motions, however, may only be limited or closed by a motion that is approved by two-thirds of the members present. Such motions are not debatable. Accordingly, unless modified by the Board, members will generally have the opportunity to speak in debate twice on any debatable motion for up to ten (10) minutes each time.

Reports, information, and recommendations from any committees will be received at the full Board meeting immediately following the committee meeting.

The budget planning and approval process shall begin no later than the July Audit/Finance Committee meeting. The CEO shall present a budget for approval no later than September for the next fiscal year. The Board shall approve the budget no later than September 30.

The annual program review is completed and submitted on a schedule determined by the Michigan Department of Health and Human Services.



Section: Governance Process
Policy Title: Board Member Code of Conduct

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Number 01-008
Page: 1 of 2

The Board commits itself and its members to ethical, business-like, and lawful conduct. This includes proper use and authority and appropriate decorum when acting as Board members. This Board Members' Code of Conduct is just one tool towards helping the Board ensure organizational integrity. Its purpose is to serve as a guide in doing its job according to the highest ethical standards and in accordance with applicable laws and regulations.

- The Board uses Robert's Rules of Order as a general procedural guide for conducting the meetings, but is not required to strictly adhere to the Rules and no action of the Board shall be deemed invalid due to any procedural violation.
- Board members are expected to dedicate their best efforts to advancing Summit Pointe's interests and to make decisions that affect Summit Pointe based on its best interests, independent of outside influences. Each Board member must comply with the Board's Conflict of Interest Policy by making an annual Disclosure of Financial Interests. Except as otherwise permitted by the Conflict of Interest Policy, Board members must avoid any situation that conflicts or appears to conflict with the interests of Summit Pointe, such as potential improper personal benefits, financial interests in other organizations or entities, outside employment activities, kickbacks, or other related personal interests or benefits.
- Board members may not attempt to exercise individual authority over the organization except as explicitly set forth in Board policies.
 - Member's interaction with the Chief Executive Officer (CEO) or with staff must recognize the lack of authority vested in individual board members.
 - Member's interaction with public, press, or other entities must recognize the same limitation and the inability of any Board member to speak for the Board unless specifically authorized by the Board Chair.
 - Members shall not respond to individual criticism or praise of the CEO or staff performance except to thank the individual for the comments. Notwithstanding the foregoing, members may raise individual criticism or praise to the Board Chair for potential further action.

- Members will respect the confidentiality appropriate to issues of a sensitive nature, except when disclosure is authorized by Summit Pointe or legally mandated. Confidential information may not be disclosed or used for any purpose other than the furtherance of Summit Pointe's interests. Customer information is protected by state and federal law, including, without limitation, the Michigan Mental Health Code and the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Members shall not disclose any customer information that they may learn, including, without limitation, the fact that a person is a customer at Summit Pointe.
- Federal law prohibits certain "kickback" activities within the health care industry that is funded in whole or in part by Medicare or Medicaid. To comply with these laws, Members shall not solicit, receive, offer or pay any form of remuneration, directly or indirectly, to induce individuals or entities to refer individuals to Summit Pointe for services.
- It is expected that Board members will attend the Board meetings having read the materials provided in the Board packet. (Be prepared)
- If a Member becomes aware of a situation involving anyone working for or on behalf of Summit Pointe, including but not limited to, another Board Member or management that the Member believes is questionable conduct or that could be a violation of this Code, that Member should contact the Chair of the Board, the CEO, the General Counsel, or the Compliance Officer, as deemed appropriate.



Section: Governance Process
Policy Title: Southwest Michigan Behavioral Health (SWMBH) Board of Directors and Appointment

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Southwest Michigan Behavioral Health (or SWMBH), the prepaid inpatient health plan for Region 4 of the Michigan Medicaid Specialty Mental Health Support Program, must maintain a Board of Directors. The SWMBH Board is responsible for the business, property, and affairs of SWMBH. The structure of the SWMBH Board, manner of operations, and activities are spelled out in detail in the SWMBH Bylaws.

The SWMBH Board is comprised of two individuals appointed from each of the participating Community Mental Health Service Programs (CMHSPs). Each CMHSP participant shall have an equal voice and vote on SWMBH business.

The individual appointed to the SWMBH Board of Directors must comply with the requirements for Board Members as spelled out in SWMBH's Bylaws. The requirements include, but are not limited to, the following:

- The Board Member appointee shall have his/her primary place of residence in the CMHSP participant's service area.
- The appointee shall not be an employee of the Michigan Department of Health and Human Services or a community mental health services program, nor be a party to a contract with the CMHSP or benefitting financially from a contract with a CMHSP.

The SWMBH Board meets as necessary to conduct the business of the Board.

Summit Pointe's Board shall appoint two (2) of its current members to SWMBH's Board of Directors.

The appointees will be responsible to make a good faith effort to attend all scheduled SWMBH Board meetings and activities. Further, the appointees will be responsible to make periodic summary reports back to Summit Pointe's Board of Directors.



POLICY MANUAL

Section: Governance Process **Policy Title: Public Participation**

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Number 01-010
Page: 1 of 1

All meetings of the Board of Directors are open to the public. The Board, however, shall be permitted to enter into a closed session (as defined by the Open Meetings Act, PA 267 of 1976) during its meetings. All persons shall be permitted to attend any meeting, except during a duly approved closed session, if the person has committed an actual breach of the peace during the meeting, or when exclusion is otherwise permitted by law.

The meeting's agenda will provide for public participation. Individuals wishing to address the Board must identify themselves and give advance indication that they wish to speak. Public participation will generally be limited to two (2) minutes per person. The Board Chair shall have the discretion to extend the time limit that a person is permitted to address the Board, but in the absence of special circumstances, should limit such extensions to one (1) minute. If a large group wishes to address the Board on the same subject, the Board Chair may also extend the time limit to the recognized spokesperson of the group.



POLICY MANUAL

Section: Governance Process Policy Title: Conflict of Interest

Author: Summit Pointe Board of Directors

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Approved By: Summit Pointe Board

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Page: 1 of 5

This conflict of interest policy is designed to help directors, officers and employees of Summit Pointe identify and resolve situations that present potential conflicts of interest. A conflict of interest means that because of other activities or relationships with third parties, an individual is unable or potentially unable to render impartial assistance or advice to Summit Pointe, or the individual's objectivity in performing their work is or might be otherwise impaired.

Definitions:

A “**Conflict of Interest**” is any circumstances described below in Section III.

A “**Responsible Person**” is any person serving as a Board Director, Officer, Employee, Contractor, Consultant or Business Associate of Summit Pointe.

A “**Family Member**” is a spouse, parent, child (natural or adopted), sibling (whole or half-blood), father-in-law, mother-in-law, grandchild, and spouse of siblings, children of siblings, grandchildren of siblings, and all step family members, and any person in an intimate, personal relationship that could affect decisions of the Responsible Person in a manner that conflicts with this Policy.

A “**Material Financial Interest**” – A Responsible Person has a Financial Interest if s/he has, directly or indirectly, actually or potentially, through a business, investment or through a Family Member:

- An actual or prospective ownership, control or investment interest in, or serves in a governance or management capacity for, an entity with which the Summit Pointe has a transaction, arrangement, proceeding or other matter;
- An actual or prospective compensation arrangement with any entity or individual with which Summit pointe has a transaction, arrangement, proceeding or other matter; or
- An actual or prospective ownership or investment interest in, compensation arrangement with, or serves in a governance or management capacity for, any entity or individual with which Summit Pointe is contemplating or negotiating a transaction, arrangement, proceeding or other matter.
- Compensation includes direct and indirect remuneration, in cash or in kind.

An “**Agreement or Transaction**” is any agreement or relationship involving the sale or purchase of goods, services, or rights of any kind, the providing or receipt of a loan or grant, or the establishment of any other type of pecuniary relationship by Summit Pointe. The making of a gift to Summit Pointe is not an Agreement or Transaction within the meaning of this document.

A. Conflict of Interest:

No Responsible Person covered by this policy may engage in any transaction, arrangement, proceeding, or other matter or undertake a position with any other organization that involves a Conflict of Interest without the required disclosure and approval of the Board of Directors. For purposes of this policy, the following circumstances shall be deemed to create Conflicts of Interest:

1. Outside Interests.

- a. A Responsible Person rendering services or engaging in any other Agreement or Transaction with a third party that also provides goods or services to Summit Pointe when that Agreement or Transaction is incompatible or in conflict with the discharge of the Responsible Person’s official duties or may impair his or her independence of judgment or action in the performance of official duties.
- b. A Responsible Person having a Material Financial Interest in; or serving as a director, officer, employee, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator, or other legal representative of, or consultant to; an entity or individual that provides goods or services to Summit Pointe.

2. Inside Activities.

- a. An Agreement or Transaction between Summit Pointe and a Responsible Person or Family Member.
- b. An Agreement or Transaction between Summit Pointe and an entity in which a Responsible Person or Family Member has a Material Financial Interest or of which such person is a director, officer, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator, or other legal representative.

3. Gifts, Gratuities and Entertainment. A Responsible Person accepting gifts, entertainment, or other favors over \$25.00 from any individual or entity that:

- a. Does or is seeking to do business with Summit Pointe;
- b. Has received, is receiving, or is seeking to receive a loan or grant, or to secure other financial commitments from Summit Pointe; under circumstances where it might be inferred that such action was intended to influence or possibly would influence the Responsible Person in the performance of his or her duties. This does not preclude the acceptance of items of nominal or insignificant value or entertainment of nominal or insignificant value that are not related to any particular transaction or activity of Summit Pointe.

4. Compensation Committee-Limits on Participation. Membership and/or participation on Compensation Committees are restricted as follows to avoid a conflict of interest.

- a. A voting member of any committee whose board delegated responsibilities include compensation matters and who receives compensation, directly or indirectly, for Summit Pointe for services is precluded from participating in discussions and voting on matters pertaining to that member's compensation.
- b. Physicians, who received compensation, directly or indirectly, from Summit Pointe, whether as associated or independent contractors, are precluded from membership on any committee whose board delegated responsibilities include compensation matters.

B. Duty to Disclose

1. Each Responsible Person shall be required to review a copy of this Policy annually and to acknowledge, in writing, that s/he has done so. Nonunion Connections employees, who are also customers of Summit Pointe are excluded from their duty to disclose.
2. Each Responsible Person shall annually complete a disclosure form identifying any relationships, positions, or circumstances in which the Responsible Person is involved that s/he believes could contribute to a Conflict of Interest. Such relationships, positions, or circumstances might include, but are not limited to, service as a director of or consultant to a not-for-profit organization, or ownership of a business that might provide goods or services to Summit Pointe.
3. Each Responsible Person must also disclose any potential Conflict of Interest that may arise during the course of the year between the submission of annual disclosure forms. Conflict of Interest disclosure forms will be submitted to the Compliance Director for review. Those forms with disclosed Conflicts of Interests will be reviewed through the Corporate Compliance Committee, a committee of Summit Pointe's Board of Directors.

C. Corporate Compliance Committee

1. Summit Pointe shall establish a standing Corporate Compliance Committee, as a committee of the Board, to review disclosed Conflicts of Interests. At a minimum, the committee membership shall consist of one member of the Board of Directors, a Summit Pointe Officer, the Compliance Director, and an additional designated member of the Leadership Team (excludes the Chief Executive Officer).
2. The Corporate Compliance Committee will meet as necessary to review all reported Conflict of Interest disclosure exceptions. The Committee will keep written minutes of its meetings.
3. The Corporate Compliance Committee shall exercise due diligence in investigating the reported Conflict of Interest disclosures.
 - a. If the Corporate Compliance Committee determines that the reported Conflict of Interest exception does not adversely impact Summit Pointe financially and/or is not likely to affect the integrity of the services which Summit Pointe may expect from the Responsible Person, the Corporate Compliance Committee may recommend to waive the potential Conflict of Interest to the Board of Directors. All Conflict of Interest waivers require Board approval.

- b. In making a determination as to whether to grant a Conflict of Interest waiver, the Corporate Compliance Committee shall consider the nature of the Conflict of Interest and its dollar value, if applicable, as well as the nature and importance of the Responsible Person's role in the matter, including the level of discretion which the Interested Person may exercise.
- c. The Corporate Compliance Committee or Board of Directors may appoint a disinterested person to conduct further investigation regarding the reported Conflict of Interest and make a report back to the Committee/Board.
- d. The Conflict of Interest waiver may restrict the Responsible Person's participation in the matter to the extent deemed necessary by the Corporate Compliance Committee.
- e. If the Corporate Compliance Committee and Board of Directors grant a waiver of a Conflict of Interest, the waiver shall be in writing and shall be signed by the Chairperson of the Board, and shall describe the Conflict of Interest, the transaction or matter to which the waiver applies, the Responsible Person's role in the transaction or matter, and any restriction on the Responsible Person's participation in the transaction or matter. See Section E.

D. Records of Proceedings

The minutes and records of the matters relating to the Conflict of Interest Policy will include, but not be limited to:

1. The names of the person(s) who disclosed or otherwise were found to have a financial interest which could result in an actual or prospective conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict was present, and the board's decision as to whether a conflict of interest, in fact, existed.
2. The names of the persons who were present for the discussion and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

E. Policy Enforcement

1. If the Corporate Compliance Committee has reasonable cause to believe that a Responsible Person has failed to disclose an actual or prospective Conflict of Interest, the Compliance Director shall notify the involved Responsible Person in writing, and require the Responsible Person to explain the alleged failure to disclose in writing.
2. If, after receiving the Responsible Person's response and after making such further investigation as may be required, the Corporate Compliance Committee determines that the Responsible Person has failed to disclose an actual or potential Conflict of Interest, the Corporate Compliance Committee must inform the Board of the omission.
3. Violations of the Conflict of Interest policy, dependent upon the severity of the violation, could result in disciplinary action, up to and including termination.

F. Periodic Reviews

To ensure that Summit Pointe operates in a manner consistent with legal and ethical business practices and that it does not engage in activities that jeopardize its status as a federally exempt organization, periodic reviews shall be conducted of, at a minimum, the following topics by designated Committees of the Board:

1. Whether Summit Pointe's compensation arrangements and benefits packages are reasonable and are the results of an objective review.
2. Whether the acquisition of land, buildings, or other properties result in impermissible private benefit that violates the Corporate Compliance Plan, Code of Ethics, or Conflict of Interest Policy.
3. Whether partnership and joint venture arrangements with management services, organizations, and physician hospital organizations conform to written policies, are properly recorded, reflect reasonable payment for goods and services, further Summit Pointe's purposes and do not result in inurement or impermissible private benefits.
4. Whether agreements to provide health care and agreements with other health care providers, Responsible Person's, and third party payors further Summit Pointe's purposes and do not result in inurement or impermissible private benefits.

References:

- Michigan Mental Health Code, 1974 PA 258, MCL 300.1001 to 300.2106
- Michigan 1978 PA 566, MCL 15.181 to 15.185 (incompatible Public Offices)
- Michigan 1968 PA 317, MCL 15.321 to 15.330 (Contracts of Public Servants with Public Entities)
- Michigan Medicaid State Plan, 42 CFR 430.10
- 45 CFR Part 74 (Federal Procurement Regulations)
- 45 CFR Part 92 (Federal Procurement Regulations)
- 42 USC 1396a (Federal Medicaid Statute)
- 18 USC 208 (Federal Conflict of Interest Statute)
- Public Law 107-204, 116 Stat. 745 (Sarbanes-Oxley Act of 2002)
- IRS Conflict of Interest Guidelines, Policies and Pronouncements for Charitable Tax Exempt Nonprofit Entities.



Section: Board-Staff Linkage
Policy Title: Delegation to the Chief Executive Officer

Author: Summit Pointe Board of Directors
Approval Date: April 11, 2017
Approved By: Summit Pointe Board
Version 2.0 (approved Sept. 10, 2019)

Number 02-001
Page: 1 of 1

The Chief Executive Officer is accountable to the Board acting as a body. The Board will instruct the Chief Executive Officer through written policies, delegating to him/her interpretation and implementation of those policies.

All Board authority delegated to staff is delegated through the Chief Executive Officer, so that all authority and accountability of staff – as far as the Board is concerned – is considered to be the authority and accountability of the Chief Executive Officer.

- As long as the Chief Executive Officer uses any reasonable interpretation of the Board's Goals and Oversight policies, the Chief Executive Officer is authorized to establish all further policies, make all decisions, take all actions, establish all practices, and develop all activities.
- The Board may change its Goals and Oversight policies, thereby shifting the boundary between Board and Chief Executive Officer domains. By so doing, the Board changes the latitude of choice given to the Chief Executive Officer. But so long as any particular delegation is in place, the Board and its members will respect and support the Chief Executive Officer's choices. This does not prevent the Board from obtaining information in the delegated areas, except individual customer-identified data.
- Only decisions of the Board acting as a body are binding upon the Chief Executive Officer.
 - Decisions or instructions of individual Board members, officers, or committees are not binding on the Chief Executive Officer except in rare instances when the Board has specifically authorized such exercise of authority.



Section: Board-Staff Linkage
Policy Title: Chief Executive Officer Job Description

Author: Summit Pointe Board of Directors
Approval Date: April 11, 2017
Approved By: Summit Pointe Board
Version 1.0

Number 02-002
Page: 1 of 2

As the Board's primary official link to the operating organization, the CEO's performance will be considered to be synonymous with organizational performance as a whole. To guide the CEO's performance, the Board shall develop and approve a written job description for the CEO and an annual list of organizational performance objectives, both of which shall be subject to review and amendment at the Board's discretion. The Board will also provide the CEO with an annual performance review before the end of the first quarter of each fiscal year, which shall outline the results achieved against previous established organizational performance objectives. This annual establishment of performance objectives and review process will be driven by the Board Human Resources Committee. The CEO will be responsible to initiate the annual process together with the Board Chair

Monitoring executive performance is synonymous with monitoring organizational performance against Board policies on Goals and on Oversight. Any evaluation of CEO performance, formal or informal, may be derived from these monitoring data.

- The purpose of monitoring is simply to determine the degree to which Board policies are being fulfilled. Information which does not do this will not be considered to be monitoring. Monitoring will be as automatic as possible, using a minimum of Board time so that meetings can be used to create the future rather than to review the past.
- A given policy may be monitored in one or more of three ways:
 - Internal report – Disclosure of compliance information to the Board from the Chief Executive Officer.
 - External report – Discovery of compliance information by a disinterested, external auditor, inspector, or judge who is selected by and reports directly to the Board. Such reports must assess executive performance only against policies of the Board, of those of the external party unless the Board has previously indicated that party's opinion to be the standard.
 - Direct Board inspection – Discovery of compliance information by a Board member, a committee, or the Board as a whole. This is a Board inspection of documents,

activities, or circumstances directed by the Board which allows a 'prudent person' test of policy compliance.

Upon the choice of the Board, any policy can be monitored by any method at any time. For regular monitoring, however, each Goal and Oversight policy will be classified by the Board according to frequency and method.

Generally speaking, the Chief Executive Officer shall not cause or allow any practice, activity, decision or organizational circumstance which is either unlawful, imprudent, or in violation of commonly accepted business and professional ethics.

RESERVED



POLICY MANUAL

Section: Board-Staff Linkage **Policy Title: Annual Calendar Review Policy**

Author: Summit Pointe Board of Directors
Approval Date: April 11, 2017
Approved By: Summit Pointe Board
Version 2.0 (adopted June 2, 2020)

Number 02-004
Page: 1 of 1

On an annual basis at the Board's Organizational Meeting in May, the Board shall establish an Annual Calendar for the Board's review of Summit Pointe Policies, educational presentations on Summit Pointe's programs and services, and the review of Quality Management and Monitoring Measures established by the Michigan Department of Health and Human Services (MDHHS), as necessary.



POLICY MANUAL

Section: Board-Staff Linkage **Policy Title: General Counsel and Compliance Director**

Author: Summit Pointe Board of Directors
Approval Date: April 11, 2017
Approved By: Summit Pointe Board
Version 2.0 (approved 6.2.20)

Number 02-005
Page: 1 of 1

The General Counsel (“GC”) serves as the chief legal advisor to the Board of Directors, the Chief Executive Officer, and other senior management of the organization, and generally oversees the organization’s legal matters and compliance activities. The Compliance Director is responsible for establishing and implementing an effective compliance program to prevent illegal, unethical or improper conduct by the organization and its employees, and also serves as the Chief Privacy Officer for the organization under the HIPAA Privacy Rule.

The GC and Compliance Director both report directly to and are supervised on a day-to-day basis by the CEO of the organization. Notwithstanding that direct-report relationship with the CEO, the GC and Compliance Director may report directly to the Board of Directors independently from the CEO, either upon their own initiative or upon the Board’s request.



POLICY MANUAL

Section: Oversight Policy Title: Treatment of Customers

Author: Summit Pointe Board of Directors
Approval Date: April 11, 2017
Approved By: Summit Pointe Board
Version 1.0

Number 03-001
Page: 1 of 1

Summit Pointe is committed to ensuring that interactions between Summit Pointe staff and its customers, or those applying to be customers, are conducted in a manner that is in the best interest of the customer and does not endanger the customer's health, safety or welfare. Accordingly, the Chief Executive Officer shall foster conditions and procedures at Summit Pointe that promotes the safety, respect, and dignity of its customers, avoids unnecessarily intrusive activities or procedures, and adequately maintains the confidentiality of customer information in accordance with applicable federal and state laws, rules and regulations. To this end, the CEO shall:

- Prohibit discrimination or harassment against any customers or people requesting services on the basis of race, color, sex, religion, national origin, disability, veteran, marital status or any other classification protected by federal, state or local laws.
- Prohibit the use of application forms or procedures that elicit information for which there is no clear necessity.
- Use methods of collecting, reviewing, transmitting, or storing customer information that adequately and reasonably protect against improper access to the information elicited.
- Maintain facilities that provide a reasonable level of privacy, both sound and visual.
- Promote communications with customers that establish a clear understanding of what may be expected and what may not be expected from the service offered.
- Establish a grievance process to those customers who believe that they have not been accorded a reasonable interpretation of rights established pursuant to this policy.
- Select a physician/psychiatrist or a fully-licensed psychologist to advise on treatment matters (reference MCL 330.1226 (l)(m)).



POLICY MANUAL

Section: Oversight Policy Title: Treatment of Staff

Author: Summit Pointe Board of Directors
Approval Date: April 11, 2017
Approved By: Summit Pointe Board
Version 1.0

Number 03-002
Page: 1 of 1

Summit Pointe believes that the fair and equitable treatment of its staff, whether paid or voluntary, is critical to fulfilling its mission and strategic goals as an organization. Accordingly, the Chief Executive Officer shall:

- Prohibit discrimination against any employee or applicant for employment on the basis of race, color, sex, religion, national origin, disability, veteran, marital status, or other classification protected by federal, state or local laws.
- Prohibit harassment against any employee or any other person at Summit Pointe on the basis of race, color, sex, religion, national origin, disability, veteran, marital status, or other classification protected by federal, state or local laws.
- Promptly investigate each allegation of harassment or discrimination in accordance with human resource policies.
- Operate the organization in accordance with a clear set of written personnel procedures concerning personnel rules for staff, grievance procedures, and protection against wrongful conditions, such as nepotism and grossly preferential treatment for personal reasons.
- Prohibit discrimination or retaliation against any staff member for expressing an ethical dissent, for opposing any unlawful act or practice, or for reporting or assisting with any investigation or claim concerning an alleged violation of federal, state, or local law or regulation.
- Permit and do nothing to interfere with staff grieving to the Board when:
 - Internal grievance procedures have been exhausted; and
 - The employee alleges either: That Board policy has been violated to his or her detriment; or that Board policy does not adequately protect his or her legal rights.
- Facilitate the education of staff concerning their rights under this Policy.



POLICY MANUAL

Section: Oversight Policy Title: Compensation and Benefits

Author: Summit Pointe Board of Directors
Approval Date: April 11, 2017
Approved By: Summit Pointe Board
Version 2.0 (approved Aug 4, 2020)

Number 03-003
Page: 1 of 1

With respect to employment, compensation, and benefits to employees, consultants, contract workers and volunteers, the Chief Executive Officer may not cause or allow jeopardy to fiscal integrity or public image.

Accordingly, the CEO shall not:

- Change his or her own compensation benefits or package.
- Promise or imply permanent or guaranteed employment.
- Establish current compensation and benefits that:
 - Deviate materially from the geographic or professional market for the skills employed.
 - Create obligations over a longer term than revenues can be safely projected.
- Establish or change pension benefits without Board approval, or in a manner such that the pension provisions:
 - Cause unfunded liabilities to occur or in any way commit the organization to benefits which incur unpredictable future costs.
 - Provide less than some basic level of benefits to all full time employees, though differential benefits to encourage longevity in key employees are not prohibited.
- Treat the Chief Executive Officer differently from other comparable key employees.



POLICY MANUAL

Section: Oversight Policy Title: Asset Protection

Author: Summit Pointe Board of Directors
Approval Date: April 11, 2017
Approved By: Summit Pointe Board
Version 3.0 (approved Aug 4, 2020)

Number 03-004
Page: 1 of 1

The Chief Executive Officer shall ensure assets are protected, adequately maintained, and not unnecessarily risked.

Accordingly, the CEO shall take reasonable and diligent steps to:

- Insure against theft and casualty losses to at least commercially reasonable replacement value and against liability losses to Board members, staff, or the organization itself in an amount greater than the average for comparable organizations.
- Take appropriate safeguards to prevent unauthorized staff from accessing material amounts of funds.
- Prevent improper wear and tear or insufficient maintenance of any physical plant or equipment owned by the organization.
- Ensure sufficient expenditures related to the upkeep, repair or maintenance of any building in a manner that is consistent with the Procurement Policy.
- Avoid unnecessarily exposing the organization, its Board, or staff to claims of liability.
- Only make purchases and enter other contractual obligations in compliance with Board Policy 03-009 (Procurement Process).
- Protect intellectual property, information, and files from loss or significant damage.
- Receive, process, or disburse funds under controls that are sufficient to meet the Board-appointed auditor's standards.
- Invest or hold operating capital only as allowed in Public Act 20 of 1943 as amended.
- Avoid endangering the organization's public image or credibility, particularly in ways that would hinder its accomplishment of mission.



POLICY MANUAL

Section: Oversight

Policy Title: Financial Conditions and Activity

Author: Summit Pointe Board of Directors
Approval Date: May 2, 2017
Approved By: Summit Pointe Board
Version 3.0 (approved Sept. 1, 2020)

Number 03-005
Page: 1 of 2

The Chief Executive Officer may not cause or allow the development of fiscal jeopardy of a material deviation of actual expenditures from Board-approved budgets. Accordingly, unless the Board expressly grants exceptions to this policy, the CEO shall:

- Only expend those funds that have been received in the fiscal year to date unless the debt guideline (below) is met.
- Limit debt of the organization to amounts that can be repaid by certain, otherwise unencumbered revenues within 60 days.
- Limit inter-fund borrowing to amounts that can be restored to a condition of the original fund balances by certain, otherwise unencumbered revenues, and in compliance with fund restrictions.
- Settle payroll and debts in a timely manner.
- Make tax payments or other government-ordered payments and filings timely and accurately.
- Not allow purchases to be made unless they fully comply with the approved Procurement Process 03-009.
- Not acquire, encumber, or dispose of real property.
- Establish and adhere to sound collection procedures for accounts receivable.
- Establish appropriate procedures and internal controls to prevent the misuse or misappropriation of assets, such as might occur through theft or embezzlement.
- Establish appropriate procedures and internal controls with respect to wire transfers and automated clearinghouse transactions to protect against the occurrence of errors or fraud,

including, by way of example only and not limitation, the requirement of dual passwords before a wire transfer can be executed.

The CEO must also not commit the organization to any new revenue-generating business activities without prior approval by the Board, except as noted herein. Accordingly, the Board shall approve all revenue-generating contracts except for: (a) Medicaid contracts with SWMBH or any other PIHP or Medicaid program paying entity; (b) general funds contracts with the Michigan Department of Health and Human Services, the State of Michigan or other state agencies; (c) grant programs that do not require local funds to support the program; or (d) contracts related to local programs that exist as of the date of this Policy that do not generate more than \$150,000 per year. Prior to consideration for approval by the Board, proposed contracts subject to this provision shall be brought to the Audit/Finance Committee for review and recommendation to the Board. Unless the Audit/Finance Committee determines that a complete copy of the proposed agreement should be presented to the Board, a memo summarizing key terms of the contract, including term, right to terminate, primary deliverables, annual revenue and anticipated positive or negative margins, shall be presented to the Board with the Audit/Finance Committees recommendation.



POLICY MANUAL

Section: Oversight

Policy Title: Emergency Executive Succession

Author: Summit Pointe Board of Directors

Approval Date: April 11, 2017

Approved By: Summit Pointe Board

Version 2.0 (approved Aug 4, 2020)

Number 03-006

Page: 1 of 1

The Board shall plan for the succession to the position of the Chief Executive Officer (CEO). To assist the Board, the CEO, together with the Human Resources Committee, shall prepare and distribute to the Board an annual report on succession planning for the position of CEO and any other senior leadership positions deemed necessary and prudent in a succession plan. In addition, the CEO shall prepare, on a continuing basis as needed, a short-term plan that delineates a temporary delegation of authority to certain senior leadership members of Summit Pointe or individuals outside of the organization who may be called upon to assist with certain management functions on an interim basis, if the CEO should unexpectedly become unable to perform his or her duties. The short-term succession plan shall be approved by the Board and shall be in effect until the Board has the opportunity to consider the situation and take action, as expeditiously as practical, and as necessary. The short and long term succession plans shall be held by the Chair of the Board and General Counsel of Summit Pointe.



POLICY MANUAL

Section: Oversight Policy Title: Financial Planning

Author: Summit Pointe Board of Directors
Approval Date: May 2, 2017
Approved By: Summit Pointe Board
Version 2.0 (approved Sept. 1, 2020)

Number 03-007
Page: 1 of 1

Financial planning for any fiscal year or the remaining part of any fiscal year shall not deviate materially from the Board Goals, risk fiscal jeopardy, or fail to be derived from a multi-year plan. All financial reports, accounting records, expense accounts, and other documents must accurately and clearly represent the relevant facts and nature of a financial transaction or condition or the organization.

Accordingly, unless the Board expressly approves exceptions to this policy, the Chief Executive Officer shall:

- Require financial planning that provides sufficient information to enable (i) credible projections of revenues and expenses, and (ii) separation of capital and operational items, cash flow, and disclosure of planning assumptions.
- Prior to the start of each fiscal year, present for approval by the board an operating budget in accordance with MCL 330.1226(g) that meets the following minimum requirements:
 - Estimate operating revenues based on reasonable assumptions and available data.
 - Plan for expenditures based on the needs assessment and annual plan submitted to the department in accordance with MCL 330.1226(d)
 - Avoid and prevent a reduction in current assets at any time to less than current liabilities.
 - Includes a list of all revenue and expense contracts included in the budget and expected to exceed \$150,000.
- Establish appropriate procedures and internal controls to prepare and present monthly financial reports to the Audit/Finance Committee that identifies and explains variances between the approved budget and the results of actual operations.



POLICY MANUAL

Section: Oversight

Policy Title: Communication and Support to the Board

Author: Summit Pointe Board of Directors
Approval Date: April 11, 2017
Approved By: Summit Pointe Board
Version 1.0

Number 03-008
Page: 1 of 2

Relevant and timely information is important to the Board's understanding of matters affecting the organization and agenda items to be considered at Board meetings, and thus their ability to perform their duties as Board members. Therefore, as a general rule and to the extent practicable, the CEO shall:

- Provide monitoring data required by the Board (see policy on Monitoring Executive Performance) in a timely, accurate and understandable fashion, directly addressing provisions of the Board policies being monitored.
- Counsel the Board regarding relevant trends, anticipated adverse media coverage, material external and internal changes, and particularly changes in the assumptions upon which any Board policy has previously been established.
- Advise the Board if, in the CEO's opinion, the Board is not in compliance with its own policies on Governance Process and Board-Staff Linkage, particularly in the case of Board behavior which is detrimental to the work relationship between the Board and CEO.
- Marshal for the Board as many staff and external points of view, issues, and options as needed for fully informed Board choices.
- Avoid presenting information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types: monitoring; Board decision preparation; and other.
- Provide a mechanism for official Board, officer, or committee communications.
- Communicate or interact with the Board as a whole except when:
 - Fulfilling individual requests for information;
 - Responding to officers or committees duly charged by the Board.

- Report in a timely manner an actual or anticipated non-compliance with any policy of the Board.
- Supply for the consent agenda all items delegated to the CEO yet required by law or contract to be Board-approved, along with monitoring assurance pertaining thereto.



POLICY MANUAL

Section: Oversight

Policy Title: Procurement Process

Author: Summit Pointe Board of Directors

Approval Date: December 15, 2016

Approved By: Summit Pointe Board

Version 5.0 (approved Sept. 1, 2020)

Number 03-009

Page: 1 of 6

PURPOSE:

To establish a procurement process at Summit Pointe for soliciting and securing services and supports for the delivery of mental healthcare, substance use disorder, and other behavioral health services, and for the goods, supplies and other services necessary for the management and operation of the organization, at fair and economical prices while paying attention to quality, maintenance of existing care relationships, service networks and customer choice.

POLICY:

Any procurement by Summit Pointe made, in whole or in part, with Federal or State funds, shall comply with all applicable federal, State, and local laws and regulations, and the requirements set forth in Summit Pointe's contract with Southwest Michigan Behavioral Health (SWMBH), including, by way of incorporation, requirements provided in the Prepaid Inpatient Health Plan contract between SWMBH and the Michigan Department of Health and Human Services, as reflected herein.

GENERAL PROCUREMENT STANDARDS AND PRINCIPLES:

Summit Pointe will not discriminate in the participation, reimbursement or indemnification of any provider who is acting within the scope of their licensure or certification under applicable state law, solely on the basis of that license or certification (42 CFR 438.12).

If Summit Pointe declines to include an individual or groups of providers in its provider network, it will give the affected providers written notice of the reason for the decision (42 CFR 438.12).

Summit Pointe will not discriminate against providers that serve high risk populations or specialize in conditions that require costly treatment (42 CFR 438.214).

Summit Pointe will not employ or contract with providers who are excluded from participation in a Federal Health Care Program under applicable sections of the Patient Protection and Affordable Care Act, 124 Stat. 119 (2010) (42 CFR 438.214).

Summit Pointe will assure that all contracts, including contracts requiring exigent approval, will be reviewed and approved by more than one member of the Leadership Team prior to execution by the CEO. Summit Pointe shall also maintain sufficient oversight of contracts to ensure that the contracting party performs in accordance with the terms, conditions, and specifications of their contracts or purchase orders (2 CFR 200.318; 45 CFR 75.327).

Summit Pointe will award contracts only to responsible contractors that possess the ability and qualifications to perform successfully under the terms and conditions of the proposed contract (2 CFR 200.318; 45 CFR 75.327).

Summit Pointe will maintain records sufficient to detail the history of procurement, including, but not limited to, rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price (2 CFR 200.318; 45 CFR 75.327). Summit Pointe will avoid the acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach (2 CFR 200.318; 45 CFR 75.327).

Procurements must be conducted in a manner that prohibits the use of geographical preferences in the evaluation of bids or proposals, except where applicable Federal statutes expressly mandate or encourage geographical preferences (2 CFR 200.319; 45 CFR 75.328).

Procurements must be conducted in a manner providing full and open competition. In order to preserve full and open competition, contractors who develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals shall be excluded from competing for those procurements. Further, undue restrictions on full and open competition must be avoided, such as:

- (1) Making unreasonable requirements in order to qualify to do business;
- (2) Requiring unnecessary experience and excessive bonding;
- (3) Engaging in noncompetitive practices between firms or noncompetitive contracts to consultants that are on retainer;
- (4) Organizational conflicts of interest;
- (5) Specifying a “brand name” product without provision for an equivalent product to be offered or without performance requirements or features being clearly described in procurement documents; and
- (6) Any arbitrary action in the procurement process.

Summit Pointe will ensure that all prequalified lists of persons, firms, or products used in acquiring goods or services are current and include enough qualified sources to ensure maximum open and free competition. Summit Pointe also will not preclude any potential bidders from qualifying during the solicitation period.

(2 CFR 200.319; 45 CFR 75.328).

Part 200 of the Uniform Requirements require non-Federal entities (such as Summit Pointe) to ensure that their contracts contain the applicable provisions and terms set forth in Appendix II to Part 200, which is attached hereto. Summit Pointe shall ensure that its contracts at least incorporate these terms into all contracts be reference.

CODE OF CONDUCT REGARDING PROCUREMENTS:

No employee, officer, or agent of Summit Pointe may participate in the selection, award, or administration of a contract supported by Summit Pointe funds, including local funds, if that person has a real or apparent conflict of interest. Such a conflict of interest would arise when:

- An employee, officer, or agent, or
- Any member of his or her immediate family, or
- His or her partner, or
- Any organization that employs, or is about to employ, any of the parties indicated herein,
- Has a financial or other interest in or a tangible personal benefit from a person, firm, or entity considered for a contract.

In addition, employees, officers, and agents of Summit Pointe may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts, unless Summit Pointe has an express written policy or standard that allows the gratuity, favor or thing of monetary value because it is either insubstantial or an unsolicited item of nominal value.

Suspected violations of this Code of Conduct must be reported to Summit Pointe’s Compliance Officer, or alternatively, to Summit Pointe’s General Counsel. Violation of this Code of Conduct may result in disciplinary action, up to and including termination of employment.

(2 CFR 200.318; 45 CFR 75.327).

PROCUREMENT UNDER MANAGED CARE:

Any Medical Services purchased by Summit Pointe and expected to exceed \$250,000 must be procured in accordance with Attachment P 37.0.1 of the Medicaid Managed Specialty Supports and Services Contract.

The CEO shall ensure adequate competition and pricing by procuring services at least once every five (5) years. The CEO may establish procedures that achieves this by procuring a subset of the service delivery system each year as long as all areas are covered within a five-year timeframe.

ALL OTHER PROCUREMENT:

All other purchases made by Summit Pointe must follow the procurement guidelines established in 2 CFR 200.320.

1. Micro-Purchases:

Purchases that do not exceed the micro-purchase threshold established by 48 CFR 2.101 (\$10,000 at the time this policy was approved) may be awarded without soliciting competitive quotations. To the extent practicable, Summit Pointe must distribute micro-purchases equitably among qualified suppliers.

2. Small Purchases - Informal Procurement Methodology:

Purchases that do not exceed the Simplified Acquisition Threshold as established by 48 CFR 2.101 (\$250,000 at the time this policy was last approved) may be awarded after price or rate quotations are obtained from an adequate number of qualified sources.

For the purposes of this policy, an “adequate number” is considered to be at least two.

Procedure:

- The purchase process may be initiated via a Contract Request Form or electronic purchase requisition software.
- Documentation of two (2) or more bids/quotes must accompany the request.
- The purchase request will follow Summit Pointe’s existing purchase requisition / signature guidelines at policy 4.2.6.
- The final approval signature must be the Summit Pointe CEO or designee.

Summit Pointe shall be required to secure a third quote or bid when the differential between two (2) quotes or bids is 50% or more. For example, if one quote is for \$10,000 and a second is for \$15,000, a third bid is required.

Summit Pointe must avoid the intentional “splitting” of purchases or transactions to circumvent the dollar threshold limitations of other required procurement processes.

(2 CFR 200.320; 45 CFR 75.329).

3. Noncompetitive Procurement

Noncompetitive procurement from only one source may be used only when one or more of the following circumstances apply:

- The item is available only from a single source;
- The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity;
or
- After solicitation of a number of sources, competition is determined inadequate.

The CEO must establish procedures to ensure adequate documentation is retained to support the existence of the allowable circumstances.

4. Competitive Procurement – Sealed Bids and Requests for Proposals (RFPs):

When a contract's anticipated value exceeds the total sum of \$250,000 and the circumstances for nonprocurement do not exist Summit Pointe must be conducted by either sealed bids or competitive proposal.

Sealed Bidding

An invitation for competitive sealed bids (formal advertising) may be used when the following conditions exist: (i) The contract requirements, specifications, or purchase description can be described and is finite and specific in details (i.e., no unknowns or no contingencies); (ii) There are two or more bidders that could satisfy the requirements and are willing to compete for the business; and (iii) The procurement lends itself to a firm fixed price contract and the selection of the bidder can be made principally on the basis of price.

If utilized the following requirements apply:

- Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids, and the invitation for bids must be publicly advertised;
- The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;
- All bids must be opened at the time and place prescribed in the invitation for bids, and must be opened publicly;
- A firm fixed price contract award must be made in writing to the lowest responsive (i.e., the bid meets all of the requirements of the invitation to bid, including design specifications) and responsible (i.e., the contractor has the capability in all respects, including technical and financial) bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and
- Any or all bids may be rejected if there is a sound documented reason.

Competitive Proposal

A request for proposal (RFP) may be used when conditions are not appropriate for the use of sealed bids. When utilizing an RFP process the following requirements apply:

- The RFP must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;
- Proposals must be solicited from an adequate number of qualified sources;
- The CEO must have a written method for conducting technical evaluations of the proposals received and for selecting recipients;
- Contracts must be awarded to the responsible firm whose proposal is most advantageous to Summit Pointe, with price and other factors considered; and
- Summit Pointe may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services through A/E firms.

Public advertisement and response time– Public advertise may include publication in a newspaper of general circulation, posting on the Internet, or in professional and trade bulletins, if those kinds of notice are in fact likely to produce more effective competition in the opinion of the Chief Executive Officer or his/her designee. For sealed bids, the public notice shall state the place, date, and time of bid opening. To allow adequate time for response preparation, submission deadlines for sealed bids or competitive proposals may be no earlier than 14 calendar days from the date the solicitation was advertised.

Bid Acceptance and Bid Evaluation – Bids shall be unconditionally accepted without alteration or correction. Bids shall be evaluated based only upon those requirements set forth in the invitation for bids, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. Those criteria which will affect the bid price and which will be considered in evaluation for award shall be objectively measurable, such as discounts, transportation costs or savings, and total or life cycle costs.
(2 CFR 200.320; 45 CFR 75.329).

Cancellation of Solicitations

An invitation for sealed bids, a request for proposals, or other solicitation may be cancelled, or any or all bids or proposals may be rejected in whole or in part. Each solicitation issued by Summit Pointe shall so state. Notice of cancellation or rejection of all proposals shall be sent to all businesses solicited.

BOARD APPROVAL: Procurements In the Amount of \$150,000 or More:

Except for contracts with Medicaid, Medicare, or other healthcare service providers, any purchase over the amount of \$150,000 requires Summit Pointe Board of Directors approval prior to such purchase. Prior to consideration for approval by the Board, a memo summarizing key terms of the agreement, including term, right to terminate, primary deliverables, and total cost of the contract, shall be presented to the Audit/Finance Committee for review and

recommendation to the Board, except where exigent circumstances do not allow the proposed contract to be brought to the Committee before the next Board meeting where approval is required.

ATTACHMENTS:

- Contract Attachment P 37.0.1

PROCUREMENT TECHNICAL REQUIREMENT

PROCUREMENT AND SELECTIVE CONTRACTING UNDER MANAGED CARE

Introduction

The assumption of managed care responsibilities for specialized Medicaid mental health, developmental disabilities and/or substance abuse services has implications for the procurement and selective contracting activities of Prepaid Inpatient Health Plans (PIHPs). Soliciting providers and programs for the service delivery system, acquiring claims processing capabilities, enhancements to management information system capacity, or obtaining general management's services to assist in the administration of the managed care program, must be done with due deliberation and sensitivity to procurement and contracting issues.

Procurement of Automatic Data Processing Services and Comprehensive Administrative or Management Services

The Michigan Department of Health and Human Services's (MDHHS) plan to make sole source "sub-awards" for the administration and provision of Medicaid mental health, developmental disability and substance abuse services raises questions about the applicability of federal procurement regulations to CMHSP and RSACA procurement and contracting activities. Federal regulations regarding procurement are described in the Code of Federal Regulations, (2 CFR Sections 318-326), Office of Management and Budget Circular 2 CFR 200 Subpart E Cost Principles, and State Medicaid Manual Part 2 (Sections 2083 through 2087).

In general, these regulations and requirements give the State fairly wide latitude in determining the procedural aspects and applicable circumstances for procurement processes. However, the MDHHS's preliminary interpretation of these regulations suggests that procurement for significant automatic data processing services related to the operation of the Medicaid carve-out program, and contracts for comprehensive management services (so-called MSO or ASO arrangements) must be conducted in compliance with federal procurement requirements outlined in the documents listed above.

Procurement and Contracting for Service Providers

PIHPs will also be soliciting providers to furnish programs, services and/or supports for Medicaid recipients needing mental health, developmental disability or substance abuse services. When soliciting providers, it should be the objective of each PIHP to acquire needed services and supports at fair and economical prices, with appropriate attention to quality of care and maintenance of exiting-care relationships and service networks currently used by Medicaid recipients. Procurement processes should be used to solicit such services. Depending on the circumstances (e.g., local area market conditions, kind or quantity of services needed, etc.) various methods for selecting providers may be used including:

1. Procurement for Selective Contracting¹

¹ Competitive procurement is usually pursued through either a COMPETITIVE SEALED BIDDING method (the process of publicizing government needs, inviting bids, conducting public bid openings, and awarding a

The PIHP (as the managing entity) purchases services from a limited number of providers who agree to fulfill contractual obligations for an agreed upon price. The managing entity identifies the specific services to be provided, seeks proposals/price bids, and awards contracts to the best bidders. Contracts are let only with a sufficient number of providers to assure adequate access to services. The prospect of increased volume induces providers to bid lower prices.

2. Procurement to Obtain Best Prices Without Selective Contracting

Under an “any willing and qualified provider” process, bids can be solicited and used to set prices for a service, and then contracts or provider agreements can be offered to any qualified provider that is willing to fulfill the contract and meet the bid price.

(NOTE: A procurement process must be used when the managing entity is planning to restrict or otherwise limit the number of providers who can participate in the program.)

3. Non-Competitive Solicitation and/or Selection of Providers

Under certain circumstances, the managing entity may select providers without a competitive procurement process. These circumstances are:

- The service is available only from a single source;
- There is a public exigency or emergency, and the urgency for obtaining the service does not permit a delay incident to competitive solicitation;
- After solicitation of a number of sources, competition is determined inadequate;
- The services involved are professional services (e.g., psychological testing) of limited quantity or duration;
- The services are unique (e.g., financial intermediaries for consumers using vouchers or personal service budgets) and/or the selection of the service provider has been delegated to the consumer under a self-determination program; and
- Existing residential service systems, where continuity of care arrangements are of paramount concern.

In these situations, the managing entity may employ noncompetitive negotiation to secure the needed services. The single- or limited-source procurement process involves

contract to the lowest responsive and responsible bidder) or a COMPETITIVE SEALED PROPOSAL process (method of publicizing government needs, requesting proposals, evaluating proposals received, negotiating proposals with acceptable or potentially acceptable offerors, and awarding the contract after consideration of evaluation factors in the RFP and the price offered).

soliciting interest and negotiating with a single or limit set of providers. Again, this may be used where competition for a service is deemed inadequate or when the uniqueness of the services or other considerations limits competitive procurement possibilities.

Whether a competitive procurement or noncompetitive solicitation process is used, the managing entity must ensure that organizations or individuals selected and offered contracts have not been previously sanctioned by the Medicaid program resulting in prohibition of their participation in the program.

Checklists for Procurement

(adapted from Section 2087 of the State Medicaid Manual)

This checklist is provided as a guide for planning procurement activities. Use is not mandatory.

1. Planning Checklist

- Has an analysis been conducted to determine if a procurement process should be initiated (need for services, available providers, likelihood of cost savings, etc.)? Have consumers and family members been involved in this analysis?
- If a procurement process is warranted, what form should it take?
- Automatic data processing (ADP) services, significant management information system enhancements, comprehensive management support functions
- Full Compliance with CFR regulations, OMB Circulars and HCFA State Medicaid Manual
- Acquisition of Service Provider Capacity - Network Participation
- Competitive Sealed Bids
- Competitive Negotiation
- Non-Competitive Negotiations (if solicitation falls under the exception criteria listed above)

2. Request for Proposals Checklist (Competitive Procurement for Providers)

- Have consumers and families been involved in developing the request for proposals?
- Are the major time frames of the RFP for response by competitors, evaluation period, award, contract negotiation, implementation and contract start-up time adequate to assure interested contractors a sufficient period to prepare a proposal and assume operations in an orderly manner?
- Does the RFP contain a detailed and clear description of the scope of work to be contracted?
- Does the RFP provide for:
 - i. Answering written questions from a prospective bidder about the RFP?
 - ii. Acceptance of a late or alternate proposal or withdrawal of a proposal?
 - iii. Evidence of adequate financial stability of the bidder and of any parent organization?
 - iv. Performance standards?
 - v. A time-frame requirement for guarantee of all prices quoted in the proposal?

- vi. Acceptance by a bidder of any reduction in payments for nonperformance?
 - vii. A bidders' conference?
 - viii. The general overall evaluation criteria, including maximum points available by category?
 - ix. A reference to applicable code requirements, administrative rules, board policies, and managed care program stipulations?
- Does the RFP provide for open solicitation of all technically competent contractors?
 - Does the RFP list procedures for handling changes to the RFP that occur after some proposals are submitted, identify who will be notified of the changes, and describe how they will be made?
 - Are there any requirements in the RFP that would unduly or unfairly restrict or limit competition among prospective bidders?
 - Does the RFP include a copy of the Managing Entity's proposed contract?
3. Proposal Evaluation Plan (PEP) Checklist
- Does the PEP consider the following in the evaluation of proposals?
 - i. Contractor Capability
Staff qualifications and general experience; Experience with Title XIX or similar programs; Experience in service to the target populations; Contractor stability (including financial stability and reputation in the field); Evaluation by previous clients.
 - ii. Technical Approach
Understanding of the scope, objectives, and requirements; Proper emphasis on various job elements; Responsiveness to specifications; Clarity of statement of implementation plan.
 - iii. Financial Aspects
Realism of total cost estimate and cost breakdown; Realism of estimated hours of staff time; Hourly rate structure; Reasonableness of implementation costs; Reasonableness of turnover costs.
4. Report of the Selection Committee Checklist
- Are consumers and family members included on the proposal evaluation team?
 - If a contractor that did not submit the lowest offer was selected, was its selection justified as being most advantageous to the CMHSP or RSACA?
 - Is the selection committee's tabulation of proposal scores complete and accurate?
 - Is the evaluation process free of bias?
 - Is a meeting for debriefing of unsuccessful bidders offered after the announcement of the contract award?
 - Did the evaluation committee substantiate reasons a prospective bidder was determined to be non-responsive?
 - Did the evaluation committee document valid reasons for not awarding the maximum points in each category and/or the reasons for awarding bonus points?



Section: Goals
Policy Title: Customer-Centered Service Planning

Author: Summit Pointe Board of Directors
Approval Date: April 11, 2017
Approved By: Summit Pointe Board
Version 1.0

Number 04-001
Page: 1 of 2

The Authority Board values customer-service centered care and requires that all service providers ensure that the customer's input is considered when establishing a course of treatment. Further, it is the Authority Board's view that actively engaging the customer and their families in determining which services will be received leads to individual empowerment and overall customer satisfaction, which are critical aspects of behavioral status and recovery. The Authority Board believes it is vital that we assist customers in resuming or gaining and maintaining control over their lives. Toward these ends, the Authority Board sets the following standards for all providers of service:

- It is expected that customers be treated with dignity and respect.
- Services and supports are to be centered on the customer's needs and should be provided in the manner where and when the customer can best take advantage of them.
- Services and supports must be aimed at assisting customers and their families to function at a successful level in the community and must be directed at assisting customers with securing and maintaining gainful employment and meaningful activities, whenever possible.
- The provision of services and supports will take place in the customer environment and be directed by his/her desired outcomes, whenever possible.
- In order to help customers take charge of their lives through informed decision-making, the individual must be centrally involved in and in charge of the process. The individual's strengths and choices must be the building blocks with which the service planning and service delivery process uses to address the needs and desires.
- Services must be culturally and linguistically appropriate. Providers must demonstrate responsiveness, understanding, and respect for the customer's culture and language and should make every effort to provide services in the person's preferred language.
- The development and provision of all services and supports are to be offered in a partnership with the customer and with the expectation of achieving and maintaining customer satisfaction and problem avoidance.

- Customer rights must be protected. Customer empowerment will be developed through education and access to protection and advocacy organizations.
- The Authority Board endorses the Michigan Department of Health and Human Services' guidelines on person-centered planning and on recovery; and requires adherence to those standards by the Authority itself and any contractual service providers.



POLICY MANUAL

Section: Goals Policy Title: Customer Participation

Author: Summit Pointe Board of Directors
Approval Date: April 11, 2017
Approved By: Summit Pointe Board

Number 04-002
Page: 1 of 1

The Authority values customer involvement and collaboration for the purpose of organizational services planning and evaluation. Toward this end, the Authority requires customer participation in assessing community needs and in monitoring the delivery of services and supports. At a minimum, the following customer representation is expected on the governing and administrative bodies as outlined below:

Authority Board of Directors – In accordance with the Michigan Mental Health Code, one-third of the Authority’s Board members shall be composed of primary and secondary customers, of which at least two (2) members are primary customers.

Customer Advisory Council – Membership of the Customer Advisory Council shall be representative of three primary populations served by the Authority: Persons with mental illness, substance abuse and co-occurring disorders, or intellectual/developmental disabilities. The Customer Advisory Council serves to advise both the Authority Board and the Chief Executive Officer in matters of customer need, service planning, service grievances and appeals, and customer satisfaction.

Recipient Rights Committee – At least two (2) primary customers shall serve on the Recipient Rights Committee.

Other Customer Involvement – The Chief Executive Officer and his/her designees are encouraged to work collaboratively with any existing community consumer and advocacy groups for the purpose of needs assessment, and for service planning and evaluation.



POLICY MANUAL

Section: Miscellaneous Policy Title: Freedom of Information Act

Author: Summit Pointe Board of Directors
Approval Date: May 3, 2016
Approved By: Summit Pointe Board
Version 1.0

Number 05-001
Page: 1 of 11

Preamble: Statement of Principles

It is the policy of Summit Pointe that all persons, except those incarcerated, consistent with the Michigan Freedom of Information Act (FOIA), are entitled to full and complete information regarding the affairs of governmental bodies. As a community mental health authority created under Michigan's Mental Health Code, Summit Pointe's records, except those produced as part of the peer review process required and made confidential under the Mental Health Code or as otherwise protected from disclosure under state or federal law, rule or regulation, including, without limitation, the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA).

Summit Pointe's policy with respect to FOIA requests is to comply with State law in all respects and to respond to FOIA requests in a consistent, fair, and even-handed manner regardless of who makes such a request.

Summit Pointe acknowledges that it has a legal obligation to disclose all nonexempt public records in its possession pursuant to a FOIA request. Summit Pointe also acknowledges that sometimes it is necessary to invoke the exemptions identified under FOIA in order to ensure the effective operation of government and to protect the privacy of individuals.

Summit Pointe will protect the public's interest in disclosure, while balancing the requirement to withhold or redact portions of certain records. Summit Pointe's policy is to disclose public records consistent with and in compliance with State law.

Summit Pointe has established the following written procedures and guidelines to implement FOIA and will create a written public summary of the specific procedures and guidelines relevant to the general public regarding how to submit written requests to Summit Pointe and explaining how to understand Summit Pointe's written responses, deposit requirements, fee calculations, and avenues for challenge and appeal. These written policies and guidelines shall not apply to requests for medical records, which must comply with, and will be governed by, the Mental Health Code, the Medical Records Access Act, HIPAA, and all other applicable federal or state laws, rules or regulations.

Section 1: General Policies

Summit Pointe designates its General Counsel as the FOIA Coordinator. He or she is authorized to designate other Summit Pointe staff to act on his or her behalf to accept and process written requests for Summit Pointe's public records and approve denials.

If a request for a public record is received by fax or email, the request is deemed to have been received on the following business day. If a request is sent by email and delivered to a Summit Pointe spam or junk-mail folder, the request is not deemed received until one day after the FOIA Coordinator first becomes aware of the request. The FOIA Coordinator shall note in the FOIA log both the date the request was delivered to the spam or junk-mail folder and the date the FOIA Coordinator became aware of the request. The FOIA Coordinator shall review Summit Pointe spam and junk-mail folders on a regular basis, which shall be no less than once a month. The FOIA Coordinator shall work with Summit Pointe's Information Technology staff to develop administrative rules for handling spam and junk-mail so as to protect Summit Pointe's systems from computer attacks which may be imbedded in an electronic FOIA request.

The FOIA Coordinator may, in his or her discretion, implement administrative rules, consistent with State law and these Procedures and Guidelines to administer the acceptance and processing of FOIA requests.

Summit Pointe is not obligated to create a new public record or make a compilation or summary of information that does not already exist. Neither the FOIA Coordinator nor other Summit Pointe staff are obligated to provide answers to questions contained in requests for public records or regarding the content of the records themselves.

The FOIA Coordinator shall keep a copy of all written requests for public records received by Summit Pointe on file for a period of at least one year. Any subpoena from any court, agency, attorney, or any other person that requests the production of records shall immediately be forwarded to General Counsel and falls outside the scope of these policies and guidelines.

Section 2: Requesting a Public Record

No specific form to submit a request for a public record is required. However the FOIA Coordinator may make available a FOIA Request Form for use by the public.

Requests to inspect or obtain copies of public records prepared, owned, used, possessed or retained by Summit Pointe must be submitted on Summit Pointe's FOIA Request Form, in any other form of writing (letter, fax, email, etc.).

A request must sufficiently describe a public record so as to enable Summit Pointe personnel to identify and find the requested public record.

Written requests for public records may be submitted in person or by mail addressed to Summit Pointe's downtown office located at 140 W. Michigan Avenue, Battle Creek. Requests may also be submitted electronically by fax and email. Upon their receipt, requests for public records shall be promptly forwarded to the FOIA Coordinator for processing.

A person may request that public records be provided on non-paper physical media, emailed or otherwise provided to him or her in digital form in lieu of paper copies. Summit Pointe will comply with the request only if it possesses the necessary technological capability to provide records in the requested non-paper physical media format.

A person may subscribe to future issues of public records that are created, issued or disseminated by Summit Pointe on a regular basis. A subscription is valid for up to 6 months and may be renewed by the subscriber.

A person serving a sentence of imprisonment in a local, state or federal correctional facility is not entitled to submit a request for a public record. The FOIA Coordinator will deny all such requests.

Section 3: Processing a Request

Unless otherwise agreed to in writing by the person making the request, Summit Pointe will issue a response within 5 business days of receipt of a FOIA request. If a request is received by fax, email or other electronic transmission, the request is deemed to have been received on the following business day.

Summit Pointe will respond to a request in one of the following ways:

- Grant the request.
- Issue a written notice denying the request.
- Grant the request in part and issue a written notice denying in part the request.
- Issue a notice indicating that due to the nature of the request Summit Pointe needs an additional 10 business days to respond for a total of no more than 15 business days. Only one such extension is permitted.
- Issue a written notice indicating that the public record requested is available at no charge on Summit Pointe's website.

When a request is granted:

If the request is granted, or granted in part, the FOIA Coordinator will require that payment be made in full for the allowable fees associated with responding to the request before the public record is made available.

The FOIA Coordinator shall provide a detailed itemization of the allowable costs incurred to process the request to the person making the request.

A copy of these Procedures and Guidelines and the Written Public Summary will be provided to the requestor free of charge with the response to a written request for public records, provided however, that because these Procedures and Guidelines, and the Written Public Summary are maintained on Summit Pointe's website, a link to the Procedures and Guidelines and the Written Public Summary will be provided in lieu of providing paper copies of those documents.

If the cost of processing a FOIA request is \$50 or less, the requestor will be notified of the amount due and where the documents can be obtained.

If based on a good faith calculation by Summit Pointe the cost of processing a FOIA request is expected to exceed \$50, or if the requestor has not paid in full for a previously granted request, Summit Pointe will require a good-faith deposit pursuant to Section 4 of this policy before processing the request.

In making the request for a good-faith deposit the FOIA Coordinator shall provide the requestor with a detailed itemization of the allowable costs estimated to be incurred by Summit Pointe to process the request and also provide a best efforts estimate of a time frame it will take Summit Pointe to provide the records to the requestor. The best efforts estimate shall be nonbinding on Summit Pointe, but will be made in good faith and will strive to be reasonably accurate, given the

nature of the request in the particular instance, so as to provide the requested records in a manner based on the public policy expressed by Section 1 of the FOIA.

When a request is denied or denied in part:

If the request is denied or denied in part, the FOIA Coordinator will issue a Notice of Denial which shall provide in the applicable circumstance:

- An explanation as to why a requested public record is exempt from disclosure; or
- A certificate that the requested record does not exist under the name or description provided by the requestor, or another name reasonably known by Summit Point; or
- An explanation or description of the public record or information within a public record that is separated or deleted from the public record; and
- An explanation of the person's right to submit an appeal of the denial to either the Summit Pointe Board of Directors or seek judicial review in the Calhoun County Circuit Court;
- An explanation of the right to receive attorneys' fees, costs, and disbursements as well as actual or compensatory damages, and punitive damages of \$1,000, should they prevail in Circuit Court.
- The Notice of Denial shall be signed by the FOIA Coordinator or his or her designee.

If a request does not sufficiently describe a public record, the FOIA Coordinator may, in lieu of issuing a Notice of Denial indicating that the request is deficient, seek clarification or amendment of the request by the person making the request. Any clarification or amendment will be considered a new request subject to the timelines described in this Section.

Requests to inspect public records:

Summit Pointe shall provide reasonable facilities and opportunities for persons to examine and inspect non-exempt public records during normal business hours. The FOIA Coordinator is authorized to promulgate rules regulating the manner in which records may be viewed so as to protect Summit Pointe's records from loss, alteration, mutilation or destruction and to prevent excessive interference with normal Summit Pointe operations.

Requests for certified copies:

The FOIA Coordinator shall, upon written request, furnish a certified copy of a public record at no additional cost to the person requesting the public record.

Section 4: Fee Deposits

If the fee estimate to provide the requested public records is expected to exceed \$50.00 based on a good-faith calculation by Summit Pointe, the requestor will be asked to provide a deposit not exceeding one-half of the total estimated fee.

If a request for public records is from a person who has not paid Summit Pointe in full for copies of public records made in fulfillment of a previously granted written request, the FOIA Coordinator will require a deposit of 100% of the estimated processing fee before beginning to search for a public record for any subsequent written request by that person when all of the following conditions exist:

- The final fee for the prior written request is not more than 105% of the estimated fee;
- The public records made available contained the information sought in the prior written request and remain in Summit Pointe's possession;

- The public records were made available to the individual, subject to payment, within the time frame estimated by Summit Pointe to provide the records;
- Ninety (90) days have passed since the FOIA Coordinator notified the individual in writing that the public records were available for pickup or mailing;
- The individual is unable to show proof of prior payment to Summit Pointe; and
- The FOIA Coordinator has calculated a detailed itemization that is the basis for the current written request's increased estimated fee deposit.

The FOIA Coordinator will not require an increased estimated fee deposit if any of the following apply:

- The person making the request is able to show proof of prior payment in full to Summit Pointe;
- Summit Pointe is subsequently paid in full for the applicable prior written request; or
- Three hundred sixty five (365) days have passed since the person made the request for which full payment was not remitted to Summit Pointe.

Section 5: Calculation of Fees

A fee may be charged for the labor cost of copying/duplication.

A fee will *not* be charged for the labor cost of search, examination, review and the deletion and separation of exempt from nonexempt information *unless* failure to charge a fee would result in unreasonably high costs to Summit Pointe because of the nature of the request in the particular instance, and Summit Pointe specifically identifies the nature of the unreasonably high costs.

The following factors shall be used to determine an unreasonably high cost to Summit Pointe:

- The particular request incurs costs greater than incurred from the typical or usual request received by Summit Pointe.
- Volume of the public record requested.
- Whether the amount of time spent to search for, examine, review and separate exempt from non-exempt information in the record requested exceeds 15 minutes.
- Whether public records from various Summit Pointe offices is necessary to respond to the request.
- The available staffing to respond to the request.
- Any other similar factors identified by the FOIA Coordinator in responding to the particular request.

The Michigan FOIA statute permits Summit Pointe to charge for the following costs associated with processing a request:

- Labor costs associated with copying or duplication, which includes making paper copies, making digital copies, or transferring digital public records to non-paper physical media or through the Internet.
- Labor costs associated with searching for, locating and examining a requested public record, when failure to charge a fee will result in unreasonably high costs to Summit Pointe.

- Labor costs associated with a review of a record to separate and delete information exempt from disclosure, when failure to charge a fee will result in unreasonably high costs to Summit Pointe.
- The cost of copying or duplication, not including labor, of paper copies of public records. This may include the cost for copies of records already on Summit Pointe's website if you ask for Summit Pointe to make copies.
- The cost of computer discs, computer tapes or other digital or similar media when the requester asks for records in non-paper physical media. This may include the cost for copies of records already on Summit Pointe's website if you ask Summit Pointe to make copies.
- The cost to mail or send a public record to a requestor.

Labor costs will be calculated based on the following requirements:

- All labor costs will be estimated and charged in 15-minute increments, with all partial time increments rounded down. If the time involved is less than 15 minutes, there will be no charge.
- Labor costs will be charged at the hourly wage of the lowest-paid Summit Pointe employee capable of doing the work in the specific fee category, regardless of who actually performs work.
- Labor costs will also include a charge to cover or partially cover the cost of fringe benefits.
- Summit Pointe may add up to 50% to the applicable labor charge amount to cover or partially cover the cost of fringe benefits, but in no case may it exceed the actual cost of fringe benefits.
- Overtime wages will not be included in labor costs unless agreed to by the requestor; overtime costs will not be used to calculate the fringe benefit cost.
- Contracted labor costs will be charged at the hourly rate of \$48.90 (6 times the state minimum hourly wage).

The cost to provide records on non-paper physical media when so requested will be based on the following requirements:

- Computer disks, computer tapes or other digital or similar media will be at the actual and most reasonably economical cost for the non-paper media.
- This cost will only be assessed if Summit Pointe has the technological capability necessary to provide the public record in the requested non-paper physical media format.
- Summit Pointe will procure any non-paper media and will not accept media from the requestor in order to ensure integrity of Summit Pointe's technology infrastructure.

The cost to provide paper copies of records will be based on the following requirements:

- Paper copies of public records made on standard letter (8 ½ x 11) or legal (8 ½ x 14) sized paper will not exceed \$.10 per sheet of paper. Copies for non-standard sized sheets of paper will reflect the actual cost of reproduction.
- Summit Pointe will provide records using double-sided printing, if it is cost-saving and available.

The cost to mail records to a requestor will be based on the following requirements:

- The actual cost to mail public records using a reasonably economical and justified means.

- Summit Pointe may charge for the least expensive form of postal delivery confirmation.
- No cost will be made for expedited shipping or insurance unless specified by the requestor.

If the FOIA Coordinator does not respond to a written request in a timely manner, Summit Pointe must:

- Reduce the labor costs by 5% for each day Summit Pointe exceeds the time permitted under FOIA up to a 50% maximum reduction, if *any* of the following applies:
 - Summit Pointe's late response was willful and intentional,
 - The written request conveyed a request for information within the first 250 words of the body of a letter facsimile, email or email attachment, or
 - The written request included the words, characters, or abbreviations for "freedom of information," "information," "FOIA," "copy" or a recognizable misspelling of such, or legal code reference to MCL 15. 231, et seq. or 1976 Public Act 442 on the front of an envelope or in the subject line of an email, letter or facsimile cover page.
- Fully note the charge reduction in the Detailed Itemization of Costs Form.

Section 6: Waiver of Fees

The cost of the search for and copying of a public record may be waived or reduced if in the sole judgment of the FOIA Coordinator a waiver or reduced fee is in the public interest because it can be considered as primarily benefitting the general public.

Section 7: Discounted Fees

Indigence

The FOIA Coordinator will waive the first \$20.00 of the processing fee for a request if the person requesting a public record submits an affidavit stating that they are:

- Indigent and receiving specific public assistance, or
- If not receiving public assistance, stating facts demonstrating an inability to pay because of indigence.

An individual is not eligible to receive the waiver if:

- The requestor has previously received discounted copies of public records from Summit Pointe twice during the calendar year; or
- The requestor requests information in connection with other persons who are offering or providing payment to make the request.

An affidavit shall be a sworn statement made under penalty of perjury. The FOIA Coordinator may make a Fee Waiver Affidavit Form available for use by the public.

Nonprofit organization advocating for developmentally disabled or mentally ill individuals

The FOIA Coordinator will waive the first \$20.00 of the processing fee for a request from:

- A nonprofit organization formally designated by the State to carry out activities under subtitle C of the federal developmental disabilities assistance and bill of rights act of 2000, Public Law 106-402, and the protection and advocacy for individuals with mental illness

act, Public Law 99-319, or their successors, if the request meets all of the following requirements:

- Is made directly on behalf of the organization or its clients.
- Is made for a reason wholly consistent with the mission and provisions of those laws under section 931 of the mental health code, 1974 PA 258, MCL 330.1931.
- Is accompanied by documentation of its designation by the state, if requested by the public body.

Section 8: Appeal of a Denial of a Public Record

When a requestor believes that all or a portion of a public record has not been disclosed or has been improperly exempted from disclosure, he or she may file an appeal to the Summit Pointe Board of Directors of the denial by filing an appeal with the FOIA Coordinator.

The appeal must be in writing, specifically state the word "appeal" and identify the reason or reasons the requestor is seeking a reversal of the denial. The FOIA Appeal Form (To Appeal a Denial of Records), may be used.

Summit Pointe's Board of Directors is not considered to have received a written appeal until the first regularly scheduled Board meeting following submission of the written appeal.

Within 10 business days of receiving the appeal the Board will respond in writing by:

- Reversing the disclosure denial;
- Upholding the disclosure denial; or
- Reverse the disclosure denial in part and uphold the disclosure denial in part; or
- Under unusual circumstances, issue a notice extending for not more than 10 business days the period during which the Board shall respond to the written appeal. The Board shall not issue more than 1 notice of extension for a particular written appeal.

If the Board fails to respond to a written appeal, or if the Board upholds all or a portion of the disclosure denial that is the subject of the written appeal, the requesting person may seek judicial review of the nondisclosure by commencing a civil action in Circuit Court.

Whether or not a requestor submitted an appeal of a denial to the Board, he or she may file a civil action in Calhoun County Circuit Court within 180 days after Summit Pointe's final determination to deny the request.

If a court that determines a public record is not exempt from disclosure, it shall order Summit Pointe to cease withholding or to produce all or a portion of a public record wrongfully withheld, regardless of the location of the public record. Failure to comply with an order of the court may be punished as contempt of court.

If a person asserting the right to inspect, copy, or receive a copy of all or a portion of a public record prevails in such an action, the court shall award reasonable attorneys' fees, costs, and disbursements. If the person or Summit Pointe prevails in part, the court may, in its discretion, award all or an appropriate portion of reasonable attorneys' fees, costs, and disbursements.

If the court determines that Summit Pointe has arbitrarily and capriciously violated this act by refusal or delay in disclosing or providing copies of a public record, the court shall order Summit

Pointe to pay a civil fine of \$1,000.00, which shall be deposited into the general fund of the state treasury. The court shall award, in addition to any actual or compensatory damages, punitive damages in the amount of \$1,000.00 to the person seeking the right to inspect or receive a copy of a public record.

Section 9: Appeal of an Excessive FOIA Processing Fee

“Fee” means the total fee or any component of the total fee calculated under section 4 of the FOIA, including any deposit.

If a requestor believes that the fee charged by Summit Pointe to process a FOIA request exceeds the amount permitted by state law or under this policy, he or she must first appeal to the Summit Pointe Board of Directors by submitting a written appeal for a fee reduction to the FOIA Coordinator.

The appeal must be in writing, specifically state the word "appeal" and identify how the required fee exceeds the amount permitted. The Summit Pointe FOIA Appeal Form (To Appeal an Excess Fee) may be used.

The Board is not considered to have received a written appeal until the first regularly scheduled Board meeting following submission of the written appeal.

Within 10 business days after receiving the appeal, the Board will respond in writing by:

- Waiving the fee;
- Reducing the fee and issuing a written determination indicating the specific basis that supports the remaining fee;
- Upholding the fee and issuing a written determination indicating the specific basis that supports the required fee; or
- Issuing a notice detailing the reason or reasons for extending for not more than 10 business days the period during which the Board will respond to the written appeal. The Board shall not issue more than 1 notice of extension for a particular written appeal.

Within 45 days after receiving notice of the Board’s determination of an appeal, the requesting person may commence a civil action in Calhoun County Circuit Court for a fee reduction.

If a civil action is commenced against Summit Pointe for an excess fee, Summit Pointe is not obligated to complete the processing of the written request for the public record at issue until the court resolves the fee dispute.

An action shall not be filed in circuit court unless *one* of the following applies:

- Summit Pointe does not provide for appeals of fees,
- The Summit Pointe Board failed to respond to a written appeal as required, or
- The Summit Pointe Board issued a determination to a written appeal.

If a court determines that Summit Pointe required a fee that exceeds the amount permitted under its publicly available procedures and guidelines or Section 4 of the FOIA, the court shall reduce the fee to a permissible amount. Failure to comply with an order of the court may be punished as contempt of court.

If the requesting person prevails in court by receiving a reduction of 50% or more of the total fee, the court may, in its discretion, award all or an appropriate portion of reasonable attorneys' fees, costs, and disbursements.

If the court determines that Summit Pointe has arbitrarily and capriciously violated the FOIA by charging an excessive fee, the court shall order Summit Pointe to pay a civil fine of \$500.00, which shall be deposited in the general fund of the state treasury. The court may also award, in addition to any actual or compensatory damages, punitive damages in the amount of \$500.00 to the person seeking the fee reduction.

Section 10: Conflict with Prior FOIA Policies and Procedures; Effective Date

To the extent that these Procedures and Guidelines conflict with previous FOIA policies promulgated by the Summit Pointe Board of Directors or Summit Pointe's management, these Procedures and Guidelines are controlling. To the extent that any administrative rule promulgated by the FOIA Coordinator subsequent to the adoption of this resolution is found to be in conflict with any previous policy promulgated by the Summit Pointe Board of Directors or Summit Pointe's management, the administrative rule promulgated by the FOIA Coordinator is controlling.

To the extent that any provision of these Procedures and Guidelines or any administrative rule promulgated by the FOIA Coordinator pertaining to the release of public records is found to be in conflict with any State statute, the applicable statute shall control. The FOIA Coordinator is authorized to modify this policy and all previous policies adopted by the Summit Pointe Board of Directors or Summit Pointe's management, and to adopt such administrative rules as he or she may deem necessary, to facilitate the legal review and processing of requests for public records made pursuant to Michigan's FOIA statute, provided that such modifications and rules are consistent with State law. The FOIA Coordinator shall inform the Board of any change these Policies and Guidelines.

These FOIA Policies and Guidelines become effective June 1, 2016.

Section 11: Appendix of Summit Pointe FOIA Forms

The FOIA Coordinator is authorized to develop those forms necessary or convenient to process FOIA requests, including, but not limited to the following:

- Request for Public Records Form
- Notice to Extend Response Time Form
- Notice of Denial Form
- Waiver of Fee Form
- Detailed Cost Itemization Form
- Appeal of Denial of Records Form
- Appeal of Excess Fee Form



POLICY MANUAL

Section: Miscellaneous Policy Title: Open Meetings Act

Author: Summit Pointe Board of Directors
Approval Date: May 3, 2016
Approved By: Summit Pointe Board
Version 1.0

Number 05-002
Page: 1 of 1

The business that the Board may perform shall be conducted at a public meeting of the Board held in compliance with the Open Meetings Act, Act No. 267 of the Public Acts of 1976, MCL §15.261 *et seq.*, as amended. The Board may hold closed sessions as authorized by the Open Meetings Act, MCL §15.267-268. When holding closed sessions, the Board may specify who may participate in the closed session, subject to the requirements of the Open Meetings Act. Public notice of the time, date, and place of meetings of the Board shall be given in the manner required by the Open Meetings Act, MCL §15.264-266.



POLICY MANUAL

Section: Miscellaneous Policy Title: Investment Policy Statement for the Summit Pointe Retirement Savings Plan

Author: Summit Pointe Board of Directors
Approval Date: March 7, 2017
Approved By: Summit Pointe Board
Version 3.0 (approved Nov. 3, 2020)

Number 05-003
Page: 1 of 7

Introduction

The Calhoun County Community Mental Health Authority, operating as Summit Pointe (herein "**Summit Pointe**"), maintains the Summit Pointe Retirement Savings Plan (herein "the **Plan**").

The Board of Directors of Summit Pointe (herein the "**Board**"), with and upon the recommendation of the Trustees of the Plan (herein the "**Trustees**"), has adopted this Investment Policy Statement to set forth the investment guidelines and objectives that the Board has adopted with respect to the carrying out of the Trustees' responsibilities under the respective terms of each of the Plan and related trust agreement. This Investment Policy Statement is effective as of April 1, 2017, or as soon thereafter as the Plan was transferred in full to Rose Street Advisors (herein the "**Effective Date**"), and it revises and restates any previously adopted Investment Policy Statement.

Purpose of Investment Policy Statement

The purpose of this Investment Policy Statement is to provide written guidelines and standards for selecting the Plan's investment alternatives available and to provide for periodic review of the investment alternatives. The goal is to establish and maintain a high-quality lineup of investment alternatives for participants in the Plan that adhere to established style benchmarks and are chosen based in part on investment performance, asset mix, risk characteristics and fees charged to the Plan and participants. Investment alternatives for the Plan shall be selected by a third-party investment consultant retained by the Trustees (herein the "Investment Consultant"), not the Trustees. The discretionary authority granted to the Investment Consultant under this Investment Policy Statement would give it the status of an "investment manager" under Section 3(38) of the Employee Retirement Income Security Act of 1974 ("ERISA"), if the Plan were subject to ERISA. The Investment Consultant shall acknowledge its fiduciary status with respect to the investment of the Plan's assets in a writing provided to the Trustees.

Funding Policy

Summit Pointe will be contributing participants' elective deferrals and mandatory contributions to the Plan when it can reasonably segregate these elective deferrals (under the 401(k) Plan) and mandatory contribution (under the SSA Plan) from its general assets following each pay date, and Summit Pointe is expected to make corresponding employer contributions to the Plan in accordance with plan documents. In addition to such contributions, liquidity of Plan assets is expected to be available daily as all investment alternatives are to be provided under a structure where each investment alternative is marked to market daily and may be liquidated on a daily basis. In the unexpected event that cash needs are experienced, necessary liquidity will be satisfied first from contributions to the Plan that have not yet been invested and then from the liquidation of such Plan investments as directed by the Trustees.

General Investment Philosophy

The Investment Consultant's selection of investment funds should satisfy the requirements of Act 341 of the Michigan Public Acts of 1965, being the Public Employee Retirement System Investment Act ("PERSIA"), as amended, regarding the investment of assets of public employee retirement systems, subject to the limitations and other provisions of PERSIA. The Investment Consultant is an "investment fiduciary" under PERSIA. The general investment philosophy of the Plan is to provide participants with a broad range of investment alternatives that have different risk and return characteristics so that participants can construct and maintain a sufficiently diverse investment portfolio that provides them with a reasonable investment return and avoids large losses.

Overall Responsibilities of the Trustees

The Trustees are directly responsible for:

- In consultation with the Investment Consultant, developing, implementing, periodically reviewing and, as appropriate, recommending changes to the Investment Policy Statement for the Plan.
- Selecting (subject to Board approval) and periodically reviewing the performance of the Investment Consultant and other service providers consistent with Summit Pointe's procurement policies and procedures, the Plan and their Trust Agreements.
- Determining the frequency with which participants may exercise control over the assets in their accounts, consistent with the Plan's respective terms and conditions.
- Providing participants with a disclosure that the Plan are intended to comply with Section 404(c) of ERISA and that plan fiduciaries are relieved of liability for losses that are the direct result of investment decisions made by participants.
- Meeting with the Investment Consultant on not less than an annual basis to review the performance of the investment funds selected by the Investment Consultant for use under the Plan.
- Reporting to the Board periodically on the performance of the Investment Consultant and the investment funds offered under the Plan.

Although not subject to ERISA, the Plan will provide participants, as would be required under Section 404(c) of ERISA if it were applicable to the Plan, with the opportunity to exercise meaningful control over assets subject to their investment control by being able to:

- Choose from a broad range of investment funds.
- Give investment direction with respect to each investment fund available under the Plan with a frequency that is appropriate in light of its market volatility.
- Diversify investments within and among investment classes.
- Receive sufficient information, including information about fees associated with investments, to make informed investment decisions.
- Materially affect the potential return on assets over which the participant exercises control.
- Choose from several investment funds, each of which is diversified and has materially different risk and return characteristics.
- Diversify investments so as to minimize the risk of large losses.

Consistent with ERISA Section 404(c), the Trustees are not responsible to participants or anyone for losses resulting from participant-directed investments (herein “**PDI**”) under the Plan.

As of the Effective Date, Rose Street Advisors is the third-party service provider and Investment Consultant with respect to the Plan. The Trustees have also decided not to make available a "Self-Directed Brokerage Option" for PDI under the Plan.

General Guidelines For Selecting Investment Funds

With respect to its selection of investment funds made available for PDI, the Investment Consultant will apply the following objectives and criteria:

- The Investment Consultant will offer a range of investment funds under the Plan that is appropriate, consistent with ERISA Section 404(c) and PERSIA, as amended, regarding the investment of assets of public employee retirement systems, for the participants in the Plan and their beneficiaries. The range of investments fund options must include at least three (3) mutual funds, collective investment funds, or other pooled investment funds.
- The primary goal for each investment fund is to produce reasonably competitive results relative to its benchmark(s), risk characteristics and investment style.
- Recognizing that no single time period is sufficient, the Investment Consultant will use multiple time periods and methods to measure each investment fund's performance.
- Each investment fund will be compared against one or more benchmarks and an appropriate peer universe.
- The Investment Consultant will consider the impact upon performance of fees and expenses charged (directly or indirectly) to, or otherwise payable on account of, assets invested in the investment funds.

- The Investment Consultant also will consider quality and consistency of the fund's investment team and other appropriate qualitative characteristics of the investment fund.

Monitoring Investment Funds

As past performance is not an indicator of future returns, the Investment Consultant will continue to monitor the performance of investment funds it has selected for offering to participants under the Plan, as well as the possible introduction of new investment funds, and will conduct periodic reviews (at least annually) of the performance of the selected investment funds to determine whether to add or delete alternatives or to change this Investment Policy Statement. In general, the monitoring will address consistency in each investment fund's:

- Investment process, philosophy and style.
- People and staff.
- Investment performance.

More specifically, when monitoring the investment classes and the investment funds offered within each class, the Investment Consultant will consider and apply the same objectives and criteria as set forth above with respect to the selection of investment funds. The Investment Consultant will examine the periodic statements, proxies and reports distributed by the investment funds, or obtained from such other publicly available sources as the Investment Consultant to evaluate each investment fund's performance. This evaluation will consider factors including, but not limited to:

- Performance of the existing platform of investment funds available for PDI, individually and in the aggregate.
- Current trends and developments in the capital markets and investment management community.
- Current level of diversification provided by the investment classes and funds within each class.
- Whether the objectives and actual investments of each investment fund offered correspond to the stated objectives for such investment fund and class in which it is included, as well as adherence to the principles of this Investment Policy Statement.
- The degree to which each investment fund has satisfied the performance standards, benchmarks and other criteria adopted by the Investment Consultant for the class in which it is included.
- Consistency of investment management style within each investment fund.
- Changes, if any, in the asset management staff for the investment fund.
- Changes, if any, in fees, expenses, and any revenue sharing arrangements charged to, directly or indirectly, or payable on account of assets of the Plan invested in the investment funds.

The minimal performance expectation for each investment fund is that on a three (3) to five (5) year cycle, each fund will fall within at least the 50th percentile of its Morningstar category.

The Investment Consultant shall periodically, and not less frequently than annually, issue a formal report to the Trustees on the results of its monitoring activities described above.

Removal of Investment Funds

During its annual (or more frequent) review, the Investment Consultant will note any deviations from the prescribed criteria by any of the investment funds. Once identified, the Investment Consultant will closely monitor each deviation and place the investment fund on a "watch list" or remove the fund altogether. In making its decision, the Investment Consultant will consider and apply the same objectives and criteria as set forth above with respect to the selection of investment funds.

Current Asset Classes and Funds

As of the Effective Date, the Investment Consultant has decided to offer investment funds for PDI within the following classes; however, it may modify this list from time to time as it determines:

- **Target Year Funds:** These investment funds invest in multi-asset classes pursuant to an asset allocation based on the participant's expected year of retirement.
- **Index Funds:** These investment funds offer broad diversification by asset classes and seek to replicate the performance of the following investment markets:
 - Large Cap US Stocks.
 - Small and Medium Cap US Stocks.
 - International Stock Markets excluding the US Stock Market.
 - US Bonds.
- **Core Funds:** These investment funds are intended to provide participants with a distinct, well-diversified array of funds that span the risk/reward spectrum. The Investment Consultant has chosen the following core investment categories:
 - High Quality Money Market.
 - Low Duration Bonds.
 - Inflation Protected, Real Return Bonds.
 - Small Capitalization US Equity.
 - Large Capitalization US Growth Equity.
 - Large Capitalization US Value Equity.
 - Non-US Equity/International Equity.
 - Global All Asset Class.

Default Investment Fund Selection

For those participants who fail to give investment instructions regarding either their balances in the Plan or future contributions to the Plan, the Investment Consultant has determined that such balances and contributions will be invested in a Qualified Default Investment Alternative (QDIA) as described in US Department of Labor regulations, and consistent with PERSIA, as amended.

The Investment Consultant, after making any necessary inquiries of the record-keeper for the Plan, will:

- Select a *Target Date Fund* as the default investment option under the Plan, with the specific Target Date Fund applicable to any participant being based on the participant's attained age.
- Notify each participant 30 days in advance of the initial investment and annually thereafter with a description of the default investment, the participant's rights to change the default investment and how to obtain additional information or to make changes.
- Allow the participant to provide the opportunity to direct investments in the participant's account any time prior to or after the placement of funds in the QDIA.
- On an ongoing basis provide the same level of information as the other investment options in the Plan.

Amendments

The Trustees may amend this Investment Policy Statement at any time, subject to approval by the Board. Changes will reflect long-term considerations, rather than short-term changes in the financial markets.

Attachment A to Investment Policy Statement

The Investment Consultant has determined that as of the Effective Date the Plan will offer the investment funds identified on Attachment "A." The Investment Consultant will ensure that there is at least one investment fund in each of the chosen asset classes.

ATTACHMENT “A” TO INVESTMENT POLICY STATEMENT

The Plan will offer the investment funds identified below (except as, or has been, modified at the recommendation of the Investment Consultant):

<u>Fund Name</u>	<u>Ticker</u>	<u>Morningstar Category</u>
Vanguard 500 Index Admiral	VFIAX	Large Blend
DFA US Core Equity 1	DFEOX	Large Blend
ClearBridge Large Cap Growth IS	LSITX	Large Growth
DFA US Large Cap Value I	DFLVX	Large Value
Vanguard Mid-Cap Index Admiral	VIMAX	Mid-Cap Blend
Vanguard Mid-Cap Growth Index Admiral	VMGMX	Mid-Cap Growth
Vanguard Mid-Cap Value Index Admiral	VMVAX	Mid-Cap Value
BlackRock Small Cap Index	BDBKX	Small Blend
Vanguard Small Cap Growth Index	VISGX	Small Growth
DFA US Targeted Value I	DFFVX	Small Value
PIMCO Stock PLUS International (USD-Hedged)	PISIX	Foreign Large Blend
Oppenheimer International Growth I	OIGIX	Foreign Large Growth
DFA International Core Equity I	DFIEX	Foreign Large Value
DFA Emerging Markets	DFEMX	Emerging Markets
American Funds New Perspective R6	RNPGX	World Stock
Western Asset Core Plus Bond IS	WAPSX	Intermediate-Term Bond
Vanguard Interm-Term Treasury	VFIUX	Intermediate Government Bond
PIMCO Real Return Instl	PRRIX	Inflation-Protected Bond
Eaton Vance High Income Opportunities	EIHIX	High Yield Bond
PIMCO Foreign Bond (USD-Hedged)	PFORX	World Bond
DFA Real Estate Securities	DFREX	Real Estate
Vanguard Life Strategy Income	VASIX	Income Allocation
Vanguard Wellesley	VWIXX	Conservative Allocation
American Funds American Balanced	RLBGX	Balanced Allocation
Vanguard Life Strategy Growth	VASGX	Aggressive Allocation
<u>Target Date Funds</u>		
Vanguard Target Retirement Income	VTINX	Asset Allocation
Vanguard Target Retirement 2010	VTENX	Asset Allocation
Vanguard Target Retirement 2015	VTXVX	Asset Allocation
Vanguard Target Retirement 2020	VTWIX	Asset Allocation
Vanguard Target Retirement 2025	VTTVX	Asset Allocation
Vanguard Target Retirement 2030	VTHRXX	Asset Allocation
Vanguard Target Retirement 2035	VTTHX	Asset Allocation
Vanguard Target Retirement 2040	VFORX	Asset Allocation
Vanguard Target Retirement 2045	VTIVX	Asset Allocation
Vanguard Target Retirement 2050	VFIFX	Asset Allocation
Vanguard Target Retirement 2055	VFFVX	Asset Allocation
Vanguard Target Retirement 2060	VTTSX	Asset Allocation



POLICY MANUAL

Section: Miscellaneous

Policy Title: Investment Policy Statement for the Summit Pointe Health Reimbursement Account Plan

Author: Summit Pointe Board of Directors
Approval Date: March 7, 2017
Approved By: Summit Pointe Board
Version 2.0 (approved Sept. 5, 2017)

Number 05-004
Page: 1 of 4

Introduction

The Calhoun County Community Mental Health Authority, operating as Summit Pointe (herein "**Summit Pointe**"), maintains the Summit Pointe Health Reimbursement Account Plan (or "the HRA").

The Board of Directors of Summit Pointe (herein the "**Board**"), with and upon the recommendation of the Trustees of the Plan (herein the "**Trustees**"), has adopted this Investment Policy Statement to set forth the investment guidelines and objectives that the Board has adopted with respect to the carrying out of the Trustees' responsibilities under the terms of the Plan and related trust agreement. This Investment Policy Statement is effective as of April 1, 2017, or as soon thereafter as the Plan is transferred in full to Rose Street Advisors (herein the "**Effective Date**"), and it revises and restates any previously adopted Investment Policy Statement.

Purpose of Investment Policy Statement

The purpose of this Investment Policy Statement is to provide written guidelines and standards for selecting the Plan's investments and to provide for periodic review of those investments. The goal is to establish and maintain high-quality investments that adhere to established style benchmarks and are chosen based in part on investment performance, asset mix, risk characteristics and fees charged to the Plan and participants. Investments for the Plan shall be selected by a third-party investment consultant retained by the Trustees (herein the "Investment Consultant"), not the Trustees. The discretionary authority granted to the Investment Consultant under this Investment Policy Statement would give it the status of an "investment manager" under Section 3(38) of the Employee Retirement Income Security Act of 1974 ("ERISA"), if the Plan was subject to ERISA. The Investment Consultant shall acknowledge its fiduciary status with respect to the investment of the Plan's assets in a writing provided to the Trustees.

Funding Policy

Neither Summit Pointe nor the Trustees are required to establish a fund, or otherwise segregate any assets, for the benefit of any participant or beneficiary. Contributions to any Fund established under the Plan shall be made by Summit Pointe. Participants do not have the option of making elective contributions to any account under the Plan.

General Investment Philosophy

The Investment Consultant's selection of investment funds should satisfy the requirements of Act 149 of the Michigan Public Acts of 1999, being the Michigan Public Employee Health Care Fund Investment Act (herein "the Act"). The Investment Consultant is an "investment fiduciary" under the Act. The general investment philosophy of the Plan is to provide a reasonable investment return and avoid large losses.

Overall Responsibilities of the Trustees

The Trustees are directly responsible for:

- In consultation with the Investment Consultant, developing, implementing, periodically reviewing and, as appropriate, recommending changes to the Investment Policy Statement for the Plans.
- Selecting (subject to Board approval) and periodically reviewing the performance of the Investment Consultant and other service providers consistent with Summit Pointe's procurement policies and procedures, the Plan and its Trust Agreement.
- Meeting with the Investment Consultant on not less than an annual basis to review the performance of the investment funds selected by the Investment Consultant for use under the Plan.
- Reporting to the Board periodically on the performance of the Investment Consultant and the investment funds under the Plan.

As of the Effective Date, Rose Street Advisors is the third-party service provider and Investment Consultant with respect to the Plan.

General Guidelines For Selecting Investment Funds

With respect to its selection of investment funds, the Investment Consultant will apply the following objectives and criteria:

- The primary goal for each investment fund is to produce reasonably competitive results relative to its benchmark(s), risk characteristics and investment style.
- Recognizing that no single time period is sufficient, the Investment Consultant will use multiple time periods and methods to measure each investment fund's performance.
- Each investment fund will be compared against one or more benchmarks and an appropriate peer universe.
- The Investment Consultant will consider the impact upon performance of fees and expenses charged (directly or indirectly) to, or otherwise payable on account of, assets invested in the investment funds.
- The Investment Consultant also will consider quality and consistency of the fund's investment team and other appropriate qualitative characteristics of the investment fund.

Monitoring Investment Funds

As past performance is not an indicator of future returns, the Investment Consultant will continue to monitor the performance of investment funds, as well as the possible introduction of new

investment funds, and will conduct periodic reviews (at least annually) of the performance of the selected investment funds to determine whether to add or delete alternatives or to change this Investment Policy Statement. In general, the monitoring will address consistency in each investment fund's:

- Investment process, philosophy and style.
- People and staff.
- Investment performance.

More specifically, when monitoring the investment classes and the investment funds, the Investment Consultant will consider and apply the same objectives and criteria as set forth above with respect to the selection of investment funds. The Investment Consultant will examine the periodic statements, proxies and reports distributed by the investment funds, or obtained from such other publicly available sources as the Investment Consultant to evaluate each investment fund's performance. This evaluation will consider factors including, but not limited to:

- Current trends and developments in the capital markets and investment management community.
- Current level of diversification provided by the investment classes and funds within each class.
- Whether the objectives and actual investments of each investment fund offered correspond to the stated objectives for such investment fund and class in which it is included, as well as adherence to the principles of this Investment Policy Statement.
- The degree to which each investment fund has satisfied the performance standards, benchmarks and other criteria adopted by the Investment Consultant for the class in which it is included.
- Consistency of investment management style within each investment fund.
- Changes, if any, in the asset management staff for the investment fund.
- Changes, if any, in fees, expenses, and any revenue sharing arrangements charged to, directly or indirectly, or payable on account of assets of the Plan invested in the investment funds.

The minimal performance expectation for each investment fund is that on a three (3) to five (5) year cycle, each fund will fall within at least the 50th percentile of its Morningstar category.

The Investment Consultant shall periodically, and not less frequently than annually, issue a formal report to the Trustees on the results of its monitoring activities described above.

Removal of Investment Funds

During its annual (or more frequent) review, the Investment Consultant will note any deviations from the prescribed criteria by any of the investment funds. Once identified, the Investment Consultant will closely monitor each deviation and place the investment fund on a "watch list" or remove the fund altogether. In making its decision, the Investment Consultant will consider and apply the same objectives and criteria as set forth above with respect to the selection of investment funds.

Current Asset Classes and Funds

Risk Based Models will be created by the Investment Consultant for participants to choose from based on their risk tolerance. This will include the following two models:

- Stable Model: 100% Fixed Income
- Conservative Model: Approximately 80% Fixed Income/20% Equities

Amendments

The Trustees may amend this Investment Policy Statement at any time, subject to approval by the Board. Changes will reflect long-term considerations, rather than short-term changes in the financial markets.