THE PROVIDER ALLIANCE
SUD SUBCOMMITTEE
507 S. GRAND AVE, FLR 2, LANSING, MI 48933

Senator Sylvia Santana
Senator Sarah Anthony
Michigan Senate DHHS Appropriations Subcommittee
Michigan State Senate
Lansing, MI 48909

Dear Senators Santana & Anthony,

On behalf of Provider Alliance Substance Use Disorder (SUD) Subcommittee and its provider members across Michigan, we are writing to express a deep and urgent concern regarding the continued legislative practice of earmarking opioid settlement funds without utilizing a transparent, competitive procurement process.

In the proposed FY 2025-2026 budget for the Opioid Healing and Recovery Fund, over $25 million—more than half of the fund—has been directly allocated to only five organizations, all based in the Detroit metropolitan area. The remaining $20 million has been vaguely designated for competitive bidding, with no defined strategy or framework for ensuring equitable statewide distribution. Compounding this issue is the fact that the agency receiving the largest earmark has a long-serving representative on the Opioid Advisory Commission—the very body tasked with recommending funding priorities under Public Act 84 of 2022. This creates a strong perception of favoritism and undermines public trust in both the process and the outcomes.

Michigan has a broad network of licensed, nationally accredited, and financially viable SUD providers who have built long-standing, effective models of care in every region of the state. Yet, many of these agencies do not have routine access to legislative decision-makers and are being systematically excluded from consideration when funding decisions are made through political relationships rather than performance-based evaluation.

A competitive procurement process is not just best practice—it is an essential safeguard for ensuring that public funds are used fairly, effectively, and in service to the entire state. Such a process would provide the following critical benefits:

1. **Promoting Fairness and Equity Across All Regions**
   Michigan's opioid crisis is not confined to one region—it touches every corner of the state, from the Upper Peninsula to rural mid-Michigan to urban centers beyond metro Detroit. Yet the current earmarking practice concentrates millions of dollars in a single metropolitan area, ignoring the distinct and urgent needs of other communities, many of which face equal or greater challenges with far fewer resources. A one-size-fits-all funding approach fails to recognize the varied ways opioid use disorder manifests across different geographies and populations. Competitive procurement empowers providers

from across the state to present tailored, community-informed solutions—solutions that reflect regional differences in trauma, access, infrastructure, and social support. This process fosters innovation, ensures relevance, and creates a level playing field for all providers, not just those with political proximity. Every Michigander, regardless of zip code or connections in Lansing, deserves an equitable opportunity to benefit from these life-saving resources.

2. **Preventing Conflicts of Interest and Restoring Public Trust**
   Allocating millions of dollars to organizations whose leaders participate in shaping funding recommendations—without independent oversight or transparency—undermines public trust and raises serious ethical concerns. Even when technically legal, the recurring practice of awarding substantial earmarks to the same few organizations, particularly those with direct representation on advisory commissions, creates the perception of self-dealing and favoritism. Public confidence is eroded when funding appears driven more by relationships than by merit. A competitive procurement process is the clearest way to eliminate such bias. It ensures that all applicants are evaluated against consistent, objective criteria—focusing on evidence-based models, research citations, fidelity to proven practices, and measurable outcomes. In contrast, current funding decisions often appear swayed by emotional storytelling or anecdotal testimonials, which, while powerful, are not valid measures of quality or impact. True accountability—and the best use of public funds—can only be achieved through a transparent, competitive process that rewards results, not relationships.

3. **Ensuring Accountability, Cost-Effectiveness, and Transparency**
   A transparent procurement process is essential to ensuring that state dollars are spent responsibly and equitably. It creates a structured framework for verifying that service costs align with MDHHS standards and that proposed staffing levels, program scopes, and administrative expenses are reasonable, necessary, and justified. Without it, the risk of inflated personnel costs, padded budgets, duplicative programming, and ineffective service delivery increases significantly—undermining the very goals of the Opioid Settlement Fund.

   Competitive proposals require providers to submit detailed budgets, identify measurable outcomes, and present clear plans for implementation. These elements aren't just bureaucratic requirements; they are powerful tools that help the State detect and prevent fraud, waste, and abuse before taxpayer dollars are spent. Through this level of review, decision-makers can assess return on investment, ensure proposals are outcomes-driven, and confirm that limited resources are being allocated to the most capable providers with the most effective, evidence-based solutions.

Stewardship of public funds, especially those intended to address a crisis like the opioid epidemic, requires nothing less. Upholding public trust in this process depends on all of us, as leaders and stakeholders, demanding accountability, transparency, and fairness in every funding decision we make.

4. **Advancing Quality and Evidence-Based Practice**
   While emotional storytelling can be powerful, it cannot replace the necessity for thorough and objective evaluation. It is essential that public funding is allocated to programs that not only tug at the heartstrings but are also proven to be effective. We strongly advocate for a competitive procurement process that compels applicants to provide robust logic models, reference relevant research, and align their proposals with established evidence-based frameworks recognized at state and national levels. This strategy ensures that interventions are clinically sound, sustainable, and designed to achieve measurable outcomes rather than relying solely on emotional appeal. Michigan's Behavioral Health System is held to exemplary standards, mandating that providers comply with LARA licensure and MCBAP credentialing, even for educational programming. The competitive bidding process is essential in this context, as it verifies that providers are both qualified and equipped to meet benchmarks aligned with national best practices. Moreover, it establishes a foundation for public accountability, requiring grantees to define clear performance targets from the outset and report on significant program outcomes. This level of transparency empowers taxpayers and stakeholders to witness the genuine impact of their investment, thereby reinforcing trust in both the process and its results.

5. **Aligning with Statewide Strategic Priorities**
   The current earmark strategy is in direct opposition to the Governor's proposed budget, which emphasizes equitable funding, statewide impact, and measurable outcomes. By sidestepping the strategic vision outlined by the Opioid Advisory Commission (OAC) and the Michigan Opioid Task Force (OTF), this approach threatens to undermine Michigan's response to the opioid epidemic. Both statewide groups have called for a transparent, data-informed process that prioritizes broad geographic coverage and the inclusion of diverse providers. It is imperative that their guidance is not disregarded for political convenience. The urgency and significance of a competitive procurement process cannot be overstated. Such a process will enable the Michigan Department of Health and Human Services (MDHHS) to determine whether proposed initiatives effectively complement, duplicate or supplant existing services—particularly those funded through Prepaid Inpatient Health Plans (PIHPs). This ensures that resources are coordinated, redundancies are minimized, and genuine service gaps are addressed. Moreover, aligning grantmaking with state priorities allows for benchmarking against well-defined public health goals. This strategic alignment fosters consistency in service delivery and reinforces the accountability necessary to achieve sustainable and impactful progress in combating substance use disorders across the state.

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We have seen local governments across Michigan adopt competitive bidding practices for their share of opioid settlement funds—with great success. These efforts have surfaced high-quality, community-tailored solutions that are cost-effective and impactful. The State should be held to the same standard of rigor and fairness.

The opioid epidemic is not confined to one region or one set of providers. These are once-in-a-generation funds intended to repair lives, rebuild systems, and restore communities across Michigan. The current path, dominated by earmarks and political proximity, betrays that goal. We urge this subcommittee to reverse this trend and commit to a fully competitive, transparent, and strategic allocation process for all future opioid settlement disbursements.

Sincerely,

Sam Price
Chair, Provider Alliance, SUD Subcommittee
President/CEO, Ten16 Recovery Network

The Provider Alliance Subcommittee members:

- Addiction Treatment Services – locations in Grand Traverse County
- Arbor Circle – Locations in Allegan, Kent, Muskegon, Newaygo, and Ottawa Counties
- CARE of Southeast Michigan – Locations in Macomb and Wayne Counties
- CMH for Clinton, Eaton & Ingham Counties – locations in Clinton, Eaton & Ingham Counties
- Easterseals MORC – Locations in Macomb County
- Great Lakes Recovery Centers – Locations in Alger, Chippewa, Delta, Dickinson, Gogebic, Mackinac, and Marquette Counties
- Harbor Hall – Locations in Charlevoix, Cheboygan and Emmet Counties
- Hegira Health – Locations in Wayne County
- Odyssey Village – Locations in Genessee, Saginaw & St Clair Counties
- The Phoenix House – Location in Gogebic and Houghton Counties
- Reach for Recovery – Locations in Allegan and Ottawa Counties
- Sacred Heart Rehabilitation Centers – locations in Bay, Berrien, Genessee, Mackinac, Macomb, Oakland, Saginaw & St Clair Counties
- Sunrise Treatment & Recovery Center – Locations in Alpena County
- Ten16 Recovery Network – Locations in Arenac, Bay, Clare, Gladwin, Gratiot, Isabella, Mecosta, Midland, Osceolla, and Saginaw Counties

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This represents the geographic footprint of all of the Provider Alliance SUD Subcommittee's membership. Please bear in mind that those organizations that provide withdrawal management/detox, residential and recovery housing services will serve citizens from across the entire state.