

Meeting Agenda
Board of Directors Work Session
May 22, 2024, 11:00 AM
GVSU Muskegon Innovation Hub
200 Viridian Dr, Muskegon, MI 49440

1. Welcome and Opening Comments – Mr. Stek
2. Public Comment
3. Financial Discussion – Stacia Chick
4. Public Comment
5. Adjourn



Back to the Basics
LRE Board of Directors Work Session

Stacia Chick, Chief Financial Officer
May 22, 2024



Work Session Outline

- LRE Risk Management Strategy Plan
- FY24 Autism Expense Trend
- CCBHC Overlap with traditional Medicaid/HMP



Risk Management Strategy Plan

- Required by MDHHS/PIHP Master Contract:
- Contractor must submit a specific written Risk Management Strategy to the Department (see Schedule E). The Risk Management strategy will identify the amount of reserves, insurance and other revenues to be used by Contractor to assure that its risk commitment is met. Should circumstances change, Contractor may submit a revision to its Risk Management Strategy at any time.



FY24 Autism Expense Trend

	Mar	Avg	Oct	Variance from Oct				
HW	671,700	111,950	133,255	(21,305)				
N180	14,305,718	2,384,286	2,425,244	(40,958)				
OnPoint	930,258	155,043	162,404	(7,361)				
Ottawa	2,895,337	482,556	60,638	421,918 *				
WCMCH	432,592	72,099	49,070	23,029				
	19,235,605	3,205,934	2,830,611	375,323				
*Ottawa appears underreported for Oct, Nov showed \$646,884, actuals only, no accruals								



CCBHC Overlap With Medicaid/HMP

- CCBHC services are included in the traditional Medicaid/HMP service array
- Prospective Payment System (PPS) is utilized by MDHHS
 - PPS payment is funded by traditional capitated funding for the non-mild to moderate populations, with a supplemental portion
 - PPS payment is funded by 100% supplemental funding (new funding) for the mild to moderate population, is cost settled with MDHHS
- CCBHC is full risk for the CCBHC for expenses above the PPS rate
- If the actual daily visits of the CCBHC are less than what was projected, PPS rate set may not be sufficient to cover expenses
 - Medicaid/HMP expenses that were projected to be covered by the CCBHC PPS funding could potentially hit traditional Medicaid/HMP, which could result in a deficit on the traditional Medicaid/HMP side that was not anticipated/budgeted



LAKESHORE
REGIONAL ENTITY

**State of Michigan, Department of Health and Human Services
Risk Management Strategy Submission for State Fiscal Year 2024
Provider Attestation**

FY2024 RISK MANAGEMENT STRATEGY SUBMISSION ATTESTATION

	Lakeshore Regional Entity
	Name of Entity
Name of Preparer:	Stacia Chick
Title:	CFO
Phone Number:	(231) 747-0904
E-mail Address:	staciac@lsre.org

I hereby attest that the information submitted in the report herein is current, complete, accurate, and in compliance with MDHHS/PIHP Contract Requirements to the best of my knowledge. I understand that failure to attest (as indicated by the completed section below) will result in non-acceptance by the Michigan Department of Health and Human Services.

Name:	Stacia Chick
Title:	CFO
Signature:	Stacia Chick
Date Signed:	11/9/2023

The FY2024 risk management strategy must be submitted to MDHHS-BDHHA-Contracts-MGMT@michigan.gov no later than 11:59pm, December 3, 2023

**Michigan Department of Health and Human Services
 PIHP Risk Management Strategy Submission for State Fiscal Year 2024 as defined in MDHHS /
 PIHP Contract; Schedule A, Statement of Work; Section 6, Contractor Risk Management
 Strategy**

PIHP Name: Lakeshore Regional Entity

#1 For Fiscal Year ended 9.30.2023, report the following:

		Amount
A.	Expected balance of the Medicaid ISF	\$ 18,465,108
B.	Projected Medicaid Savings	\$ -
C.	Expected balance of the Healthy Michigan Plan ISF	\$ 11,787,898
D.	Projected Healthy Michigan Plan savings	\$ 20,168,671
E.	The PIHP's expected unrestricted fund balance	\$ 4,986,100
F.	Public Act 2 (P.A.2) fund balance	\$ 14,010,113
G.	Performance Bonus Incentive Program (PBIP) fund balance	\$ 6,999,939
Total:		\$ 76,417,829

#2 For Standalone PIHPs only, Fiscal Year ended 9.30.2023:

A.	Projected GF redirected for Unfunded Medicaid Costs	\$ -
B.	Projected GF carryforward Earned	\$ -

#3 For Fiscal Year ending 9.30.2024, report the following:

A.	Projection of Medicaid/HMP capitation payments for PIHP and affiliates in total	\$ 349,842,747
B.	Projection of Medicaid/HMP waiver expenditures for PIHP and affiliates in total	\$ (352,058,391)
Surplus or (Deficit) Total:		\$ (2,215,644)

#4 Is FY24 Medicaid Revenue expected to be below projected expenditures?

NO GO TO NEXT QUESTION (#5)

YES ANSWER LETTERS A - D BELOW

A. Provide a **brief** summary of the expected change in Medicaid revenue and costs from FY23 to FY24:

Medicaid and HMP enrollment is projected to decrease at 70% of the pandemic growth rate, resulting in lower revenue for FY24. Increased inflation, higher wages, and projected increased utilization and provider rate trends result in increased expenses for FY24.

B. Provide the amount of projected local and state risk obligations the plan covers:

None

C. Provide a detailed description of the funds (ISF, local, etc.) that will be used to satisfy the risk obligation:

Prior Year ISF balance and/or PBIP revenues received in FY24 will be utilized to satisfy this obligation.

D.

Provide a description of any related actions such as plans to increase efficiency or reduce costs:

Per the LRE Strategic Plan, work with the Member CMHSPs to determine where there could be increase efficiencies and reduced costs. And per the LRE's Operating Agreement, a Planned Funding Adjustment agreement may be developed between the CMHSPs if necessary. Potentially engage in the services of an external auditor to evaluate efficiencies and costs at the Member CMHSP level. Continue to advocate to the State for additional Habilitation Supports Waivers for increased revenue. Continue working with State to become an Opioid Health Home and a Behavioral Health Home to bring additional revenue to the region. Work with an actuarial firm to review the Milliman rates to determine if the rates are appropriate and if advocacy is needed. Advocacy regarding the development of the CCBHC PPS-1 rates that impact base capitation. Develop and improve strategies regarding Medicaid disenrollment. Work with actuarial firm to determine how to maximize data completeness and data integrity to positively impact revenue.

#5 Is FY24 Medicaid Revenue expected to exceed projected expenditures?

A. Provide how much will be allocated to Medicaid savings, ISF deposit, or lapse.

NOTE: The planned utilization of this difference must be specified below.

		Amount
	Projected Earned Medicaid Savings ending balance	\$ -
	Projected Medicaid ISF ending balance	\$ -
	Projected Medicaid Lapse	\$ -

B.

Standalone PIHPs only:
Provide any general fund allocations that are expected to exceed expenditures for FY24, for the PIHP in total, whether they will be included in carry-forward or lapsed and the expected amounts of each.

		Amount
	General Fund Carry-Forward Earned	\$ -
	General Fund Lapse to MDHHS	\$ -

#6

Multi-county PIHPs: Briefly describe PIHP/CMHSP affiliate risk management relationships, including the PIHP responsible CMHSP arrangements with affiliate CMHSPs in sharing financing responsibility for the projected Medicaid risk exposure. This item does not apply to single-county PIHPs.

LRE, is the sole managed care risk bearing entity for Allegan, Kent, Lake, Mason, Muskegon, Oceana, and Ottawa counties and does not share risk with its CMHSPs. In the event that medical costs and/or service demand in our region exceeds the available premium revenues, we will first utilize the available Medicaid Savings and/or positive Internal Service Fund balance.