

TalkSooner.org Updates May 2021

Hospital/Health Care Partnership

- Hosted a “Voice of the Customer” meeting with physicians from Cherry Health Metro Health/University of Michigan Hospital to gain any new insights into serving patients via their practices.
- Created QR Code
- Working on reprints, per hospitals

HEY, PARENTS!

Need help with the drug talk?

TalkSooner.org



mParks/Michigan Department of Natural Resource: hosted webinar with health/wellness members

- Working on media campaign for a “start of summer” timeline promoting Talksooner and mParks – a “natural fit,” for families to have prevention conversations.



Invited to participate with PH's CMO, Dr. James Forshee, in media interviews related to Drug Take Back Day on 4/24. Stories appeared on Channel 8 and WGUV.



Grand Rapids Public Schools – due to COVID focus, will pause our conversations. Now exploring outreach to Integrity Educational Services (IES) and the Early Learning Neighborhood Collaborative.



Creating Community Testimonials for Website/Social Media, With Endorsements from Physicians, Community Leaders & Parents

"I recognize the growing concerns parents have today with teen vaping and marijuana use. Talksooner.org helps guide important conversations with facts and understanding."



- Dr. Dawn Rosser,
Pediatrician
 METRO HEALTH
UNIVERSITY OF MICHIGAN HEALTH

TalkSooner.org

"Prevention is truly the best medicine. I fully support parents having the 'drug talk' with their kids, with resources like www.talksooner.org for tips and guidance."



- Dr. James Forshee,
Chief Medical Officer
 PriorityHealth

TalkSooner.org

"TalkSooner.org is hands down the best resource for parents to learn what drugs are trending among youth, and how to start uncomfortable, but necessary conversation on drugs."



- Qur'an Griffin,
Mother of 2 Teens,
Newaygo County, MI

TalkSooner.org

"It can be difficult have the 'drug talk' with our children, but Talksooner can help! Talksooner offers a free app and website, helping parents/caregivers navigate these important conversations."



- Dr. Jenny Bush,
Pediatrician,
Director of Pediatrics
Cherry Health
 Cherry Health
Empowering Quality Patients

TalkSooner.org

"As a grandfather, I know how vital it is to have resources like TalkSooner. These tools help families engage effectively in difficult but important conversations."



- Jack Greenfield,
LRE Board Member,
Retired President/CEO,
Arbor Circle

TalkSooner.org

"I have spent my entire career guiding youth through social, emotional and developmental challenges. Talksooner.org is a great resource for engaging parents, educators, counselors, etc. in working through these often tough conversations."



- Jay Roberts-Eveland, MA,
Retired, LRE Executive
Board & Watson Township
Planning Commission

TalkSooner.org

"Communication is at the forefront of my relationship with my children. The Talksooner app has been an amazing tool to help me have intentional conversations with my children about substance use."



- Shawn Washington,
Mother of 2,
Baldwin, MI

TalkSooner.org

Message Relevancy

- Updates to website



Thank you!



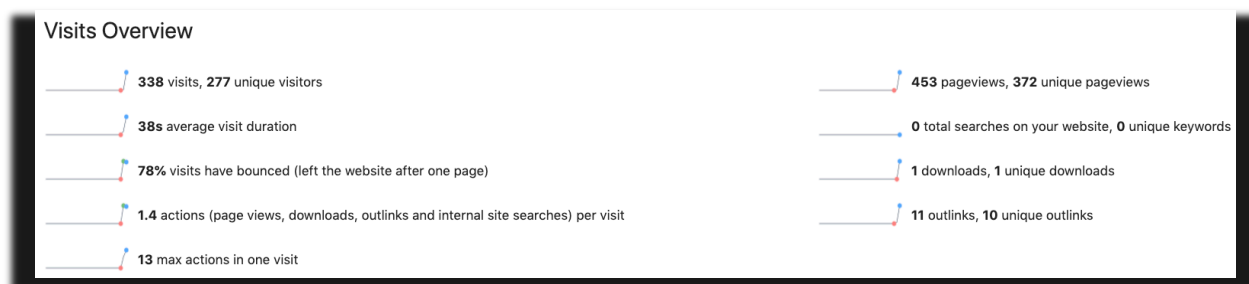
May 2021

Social Marketing Campaign Update for the Gambling Disorder Prevention Project

Overview: The LRE's Gambling Disorder Prevention Project is working to prevent gambling disorders throughout the region through partnerships with local providers and regional efforts such as the *stayouttathedangerzone.com* campaign. A regional marketing campaign to support the strategic plan is currently underway in partnership with Seyferth PR.

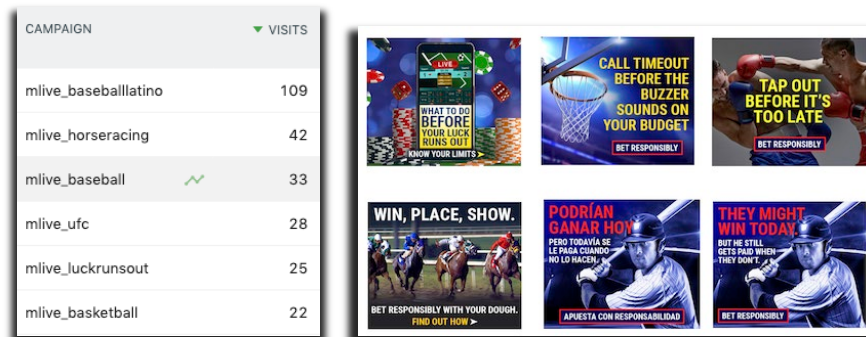
Microsite: StayOuttathedangerzone.com

- Online resource to help individuals gamble responsibly and find resources and support to prevent problem gambling.
- Located within the LRE website that offers risk reduction strategies, support for problem gamblers, and information to assist parents in preventing gambling problems among their children.
- In April, the site was visited more than 300 times. Other unique analytics from the site in April include:



Digital Media Ads/Geofencing:

- In April, ads that link users to the microsite began to appear for individuals visiting the MLive webpage who have downloaded internet sports gambling apps such as FanDuel.
- According to April's analytics, the Latino Baseball ad generated the most traffic to the microsite.



- In June, ads will appear for individuals who are on their mobile device near a fenced location such as a casino or lottery retailer.

Waiver Director's Report April 2021

1. Autism/Behavioral Health:

There are currently 1,406 individuals enrolled in the Applied Behavioral Health Autism Benefit (Allegan – 115, HealthWest – 99, Network 180 – 949, Ottawa – 200, and West Michigan – 43) This is an increase of 41 since April. There were 55 individuals approved for ABA services in April and 16 individuals disenrolled.

Braintrust, ACORN, Centria, Wedgwood, Autism Spectrum Therapies, Positive Behavior Supports, Pioneer Resources, Hope Discovery, Developmental Enhancement, and the Center for Autism and Related Disorders (CARD) have completed ABA provider reviews. Hope Network is scheduled for May 20th.

Both initial and re-evaluation testing wait times have increased due to the decreased availability of providers since COVID-19. CMHSPs are in the process of increasing their capacity for Autism evaluations. Network 180 and HealthWest are finalizing contracts for two new providers. Current providers have hired additional clinicians to administer Autism evaluations.

2. Child's Waiver Program (CWP):

There are 56 children enrolled in the CWP (Allegan – 2, HealthWest – 11, Network180 – 37, Ottawa – 5, and West Michigan – 1) which includes one child that was invited to apply at the beginning of May from Network 180. All children on the waiting list have been invited to apply for the waiver and there are currently no children waiting for the CWP. Since the beginning of the fiscal year, all children in the region who had a prescreen scored and were placed on the waiting list have been invited to apply.

3. Habilitation Supports Waiver (HSW):

The LRE has all 629 HSW waiver slots full. The LRE had two disenrollment's for April and enrolled two individuals for May to maintain maximum slot capacity. The LRE and CMHSP HSW leads meet regularly to maintain these slots and identify appropriate individuals for enrollment. CMHSPs are reporting increased difficulty identifying appropriate HSW enrollees and preparing enrollment packets due to fewer face-to-face service contacts, since the onset of COVID-19. The LRE has 11 packets from the CMHSPs ready to fill slots as they become available.

4. Home and Community-Based Services (HCBS):

The MDHHS HCBS Validation Project began in April. This impacts the HCBS providers that completed any of the HCBS surveys, except for the last round and responded "yes" to all questions which resulted in being deemed "in compliance". The LRE is splitting this project into two rounds. The first round includes Allegan, HealthWest, Ottawa, and West Michigan providers. The second round includes Network180 providers. Validation reports were sent on April 29th to providers needing validation from Allegan, HealthWest, Ottawa, and West Michigan. Documentation is due back from these providers later this month. Virtual visits and interviews will be conducted in June for these providers that require them. Providers from Network180 will be sent their validation reports in August. The completion date for the validation project is tentatively scheduled for September 2021.

5. Serious Emotional Disturbance Waiver (SEDW):

The LRE has 51 individuals enrolled in the SEDW (Allegan – 2, HealthWest – 13, Network180 – 31, Ottawa – 4, and West Michigan – 1). Individuals continue to be enrolled and dis-enrolled as appropriate.

6. MDHHS Waiver Audit:

MDHHS concluded the HCBS Waivers and Substance Use Disorder site review of the LRE on November 30, 2020. MDHHS provided the final site review reports to the LRE on December 15th, 2020. On March 5th, 2021 MDHHS accepted the LRE's Corrective Action Plan. MDHHS has scheduled a 90-day virtual follow-up review of the region scheduled for June 1st through the 7th. CMHSPs have until the close of business on Monday, May 31st to upload documentation to be reviewed to the MDHHS MI Login – File Transfer application.



Information Officer Report – May 2021

Summary:

1. **MCIS Software:**

PCE Systems presented a demonstration of their Audit and Provider Management modules to LRE on May 7th. Additional meetings are being scheduled to identify potential gaps in functionality and plan resolution for those as we prepare to bring the provider credentialing function back onboard at LRE this summer.

2. **Data Analytics and Reporting:**

Information technology planning meetings continue with evaluation of technology and infrastructure needs and identification of the key areas of analysis to be targeted for initial implementation of the LRE Data Analytics and Data Reporting platform.

3. **FY21 data reporting to MDHHS:**

Encounters:

FY21 encounter volumes appear to be on-track from Allegan CMH, Network180 and West Michigan CMH. For those 3 CMHSPs, March 2021 services are well represented in the PIHP data, which should normally be the case by mid-May (though they are certainly not complete yet due to claims lag). Volumes are still notably lower than normal for HealthWest and for Ottawa CMH.

Ottawa continues to experience delayed reporting of residential encounters due the manual application of **Direct Care Wage (DCW)** cost on a line-by-line basis. For services from 06/01/2021 and forward, the DCW cost will be blended into the contracted rates for Ottawa CMH providers, which should eliminate the need for this added administrative effort each month.

HealthWest continues to experience slow reporting of data from their Cx360 EMR system. This issue is under review.

FY21 units of service, where substantially reported, appear to be trending lower than the early stages of FY20 (pre-COVID), but on-par with levels seen in late FY20. There appears to be a dramatic spike up in units for Allegan CMH beginning in FY21. This appears to be largely attributed to the MDHHS mandated change to use H2015 (CLS per 15 minutes) vs H0043 (CLS per diem) when went into effect 10/01/2020.

BHTEDS:

FY21 BHTEDS completeness as measured by MDHHS has come up above the 95 % standard (**95.84 %**) for "Crisis Only" encounters during the most recent period, and the SUD measure remains strong (**99.50 %**). The "Mental Health" measure continues to fall below standard at **91.56 %** in the most current measurement with Network180 and HealthWest pulling the regional totals below standard (see also

“Additional Details” below for MDHHS completeness by region as of 5/5/21, and for LRE break-down by CMHSP on the Mental Health measure).

Both Network180 and HealthWest indicated (last week) that they have initiated internal performance improvement processes to address and correct mental health BHTEDS reporting timeliness.

4. **FY20 Financial Year End Reporting** and the new **Encounter Quality Initiative (EQI)** report:
PIHP and CMHSP staff have received Milliman’s “EQI-vs-Encounters” discrepancies list based on the final EQI submissions and are researching those discrepancies now. Some of the issues have already been identified and repaired via corrections to the CMHSP EQI reports.

Additional Details:

FY21 BHTEDS Completeness – per MDHHS (05/05/2021):

FY21 Mental Health BHTEDS (excludes “crisis only” episodes of care): *[91.47 % → 91.56 % over the last 2 months, +.09]*

Encounters: 10/01/2020 - 03/31/2021*		BH-TEDS: 07/01/2019 - 05/05/2021		
Region Name	Submitter ID	Distinct Count of Individuals With		Current Completion Rate
		Non-H0002 & Non-Crisis, Non-OBRA Assessment & Non-Transportation Encounters	Non-H0002, Non-Crisis, Non-Health Home, Non-OBRA Assessment & Non-Transportation Encounters But NO BH-TEDS Record Since 07/01/2019	
CMH Partnership of SE MI	00XT	8,296	152	98.17%
Detroit/Wayne	00XH	47,287	2,225	95.29%
Lakeshore Regional Entity	00ZI	14,898	1,258	91.56%
Macomb	00GX	9,169	182	98.02%
Mid-State Health Network	0107	32,268	1,769	94.52%
NorthCare Network	0101	4,938	38	99.23%
Northern MI Regional Entity	0108	10,290	159	98.45%
Oakland	0058	15,003	274	98.17%
Region 10	0109	14,561	55	99.62%
Southwest MI Behavioral Health	0102	15,896	687	95.68%
Statewide		172,606	6,799	96.06%

FY21 Mental Health Crisis Only BHTEDS: *[93.04 % → 95.84 % over the last 2 months, + 2.80]*

FY21 Crisis Encounters w/BH-TEDS records				
Encounters: 10/01/2020 - 03/31/2021**		BH-TEDS: 07/01/2019 - 05/05/2021		
Region Name	Submitter ID	Distinct Count of Individuals With		Completion Rate
		Crisis Encounters	Crisis Encounters But NO BH-TEDS Record Since 07/01/2019	
CMH Partnership of SE MI	00XT	1,270	76	94.02%
Detroit/Wayne	00XH	5,036	1,554	69.14%
Lakeshore Regional Entity	00ZI	3,653	152	95.84%
Macomb	00GX	894	8	99.11%
Mid-State Health Network	0107	6,238	239	96.17%
NorthCare Network	0101	1,035	35	96.62%
Northern MI Regional Entity	0108	2,312	61	97.36%
Oakland	0058	2,046	112	94.53%
Region 10	0109	1,062	54	94.92%
Southwest MI Behavioral Health	0102	1,817	58	96.81%
Statewide		25,363	2,349	90.74%

FY21 Substance Use Disorder BHTEDS: *[99.40 % → 99.50 % over the last 2 months, +.10]*

FY21 SUD Encounters w/BH-TEDS records				
SUD Encounters from 10/01/2020-03/31/2021***			Does Not Have Open Admission at Time of Encounter as of 05/05/2021	
		Distinct Count of Individuals With		
Region Name	Submitter ID	Non-Health Home Encounters	Non-Health Home Encounters But NO BH-TEDS Record	Completion Rate
CMH Partnership of SE MI	00XT	2,012	5	99.75%
Detroit/Wayne	00XH	5,377	2	99.96%
Lakeshore Regional Entity	00ZI	4,183	21	99.50%
Macomb	00GX	2,863	10	99.65%
Mid-State Health Network	0107	7,484	6	99.92%
NorthCare Network	0101	1,094	4	99.63%
Northern MI Regional Entity	0108	2,703	15	99.45%
Oakland	0058	2,676	2	99.93%
Region 10	0109	3,457	15	99.57%
Salvation Army	002Y	NO FY21 Encounters Submitted Yet at 04/21/2021		
Southwest MI Behavioral Health	0102	4,133	69	98.33%
Statewide		35,982	149	99.59%

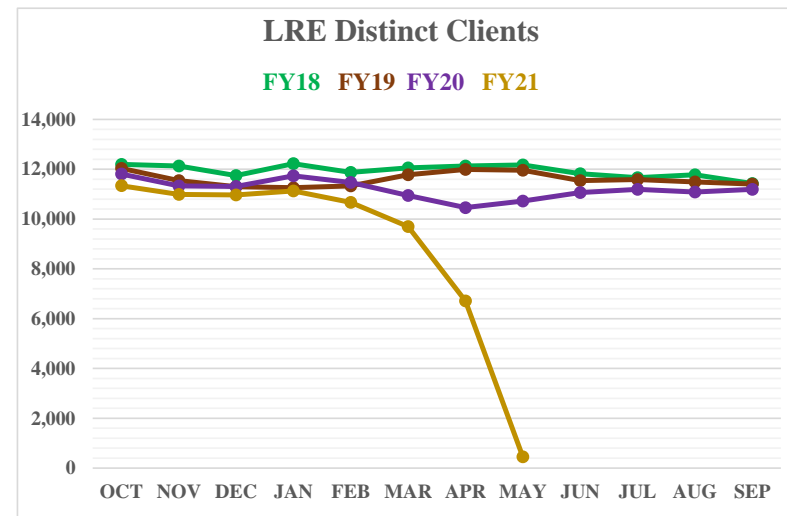
LRE Breakdown: Mental Health BHTEDS by CMHSP as of 5/5/2021:

Mental Health Completeness by CMH			
Mental Health (non-Crisis) BHTEDS Completeness - by CMH:			
	Denominator	Numerator	% Complete
Allegan	1,006	1,001	99.50%
HealthWest	3,020	2,611	86.46%
Network180	8,016	7,233	90.23%
Ottawa	1,872	1,809	96.63%
West Michigan	1,073	1,073	100.00%
	14,987	13,727	91.56%

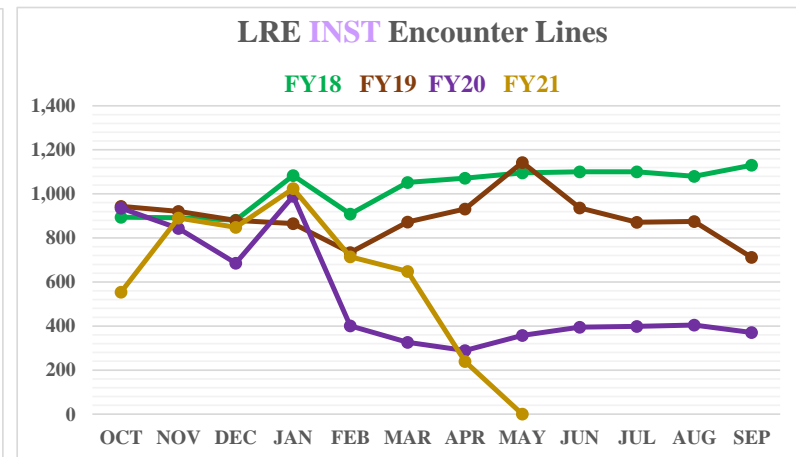
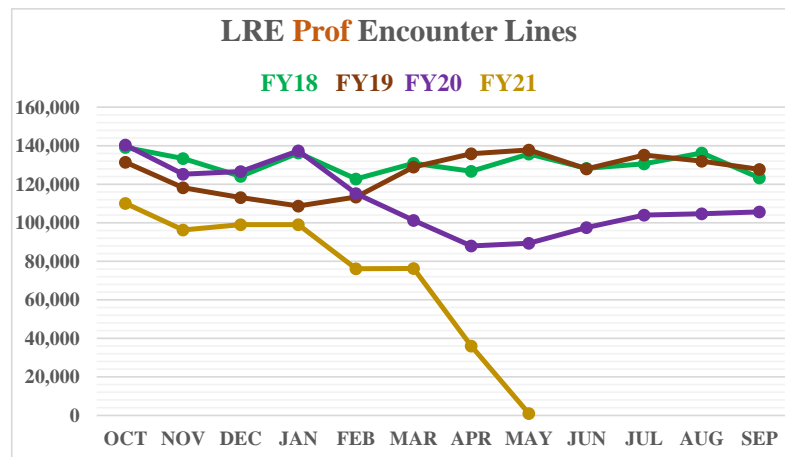
LRE
Behavioral Health

**Compares FY18
thru Current
FY21
Encounters**

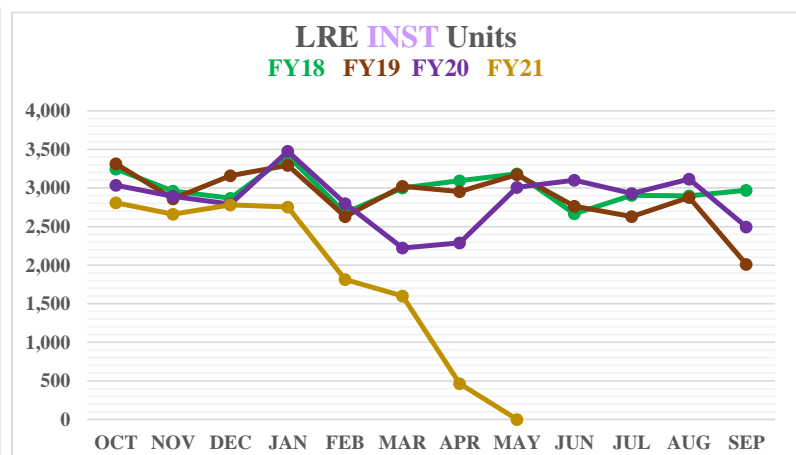
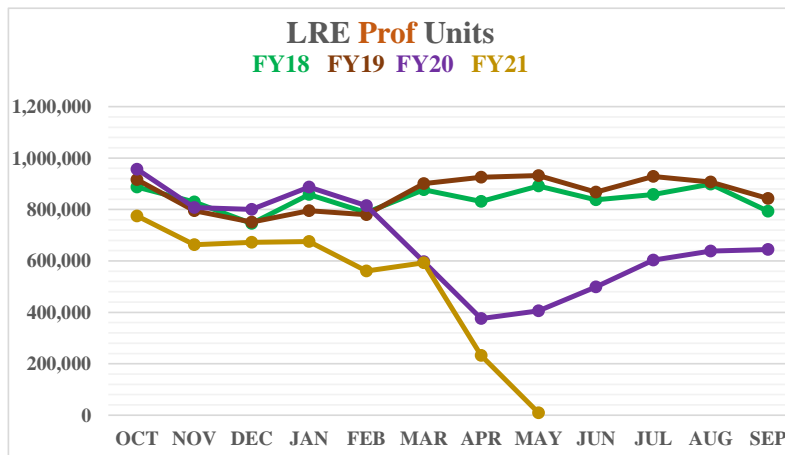
Distinct Client Count



of Encounter Lines



Total Units of Service

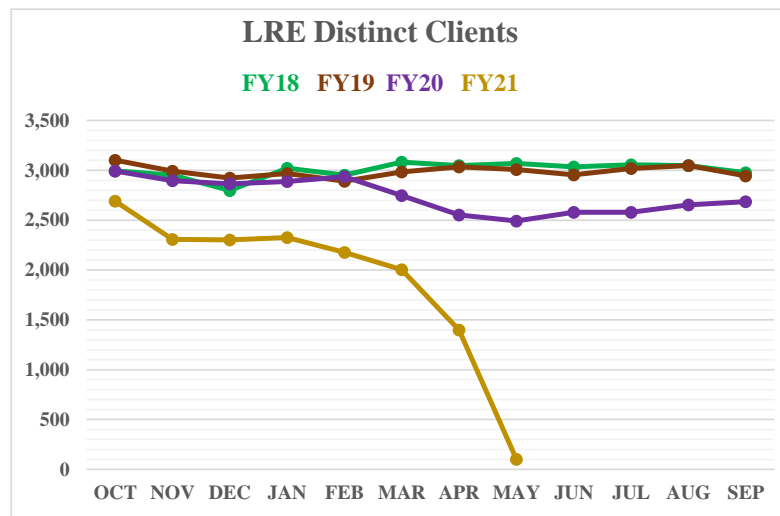


**LRE
Substance Use Disorder**

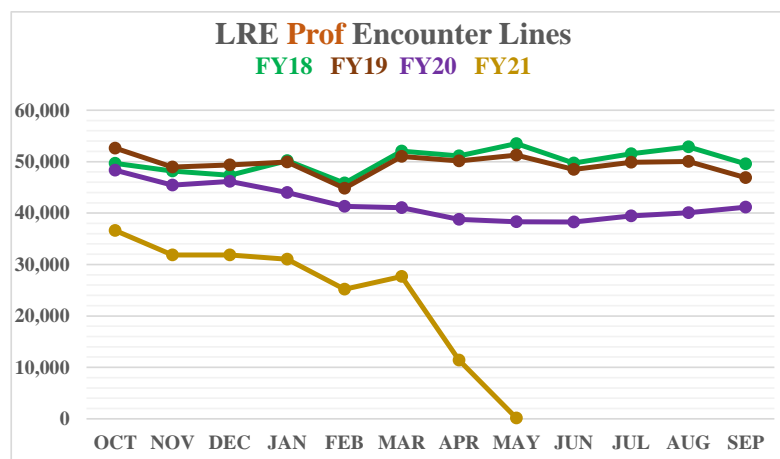
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5/14/2021

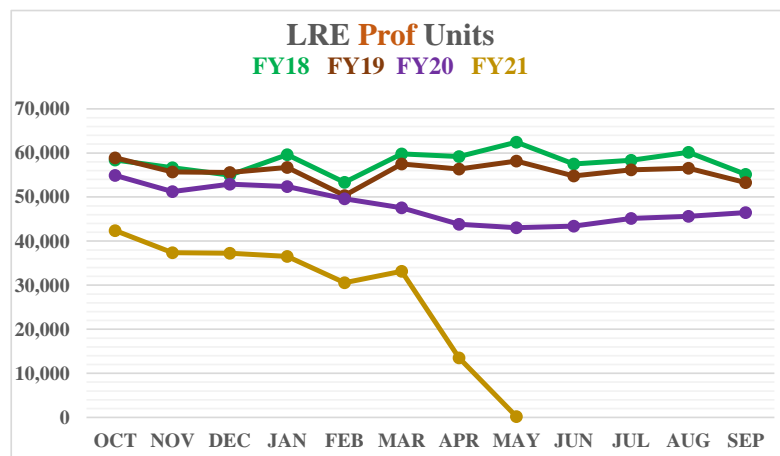
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of Encounter Lines



Total Units of Service

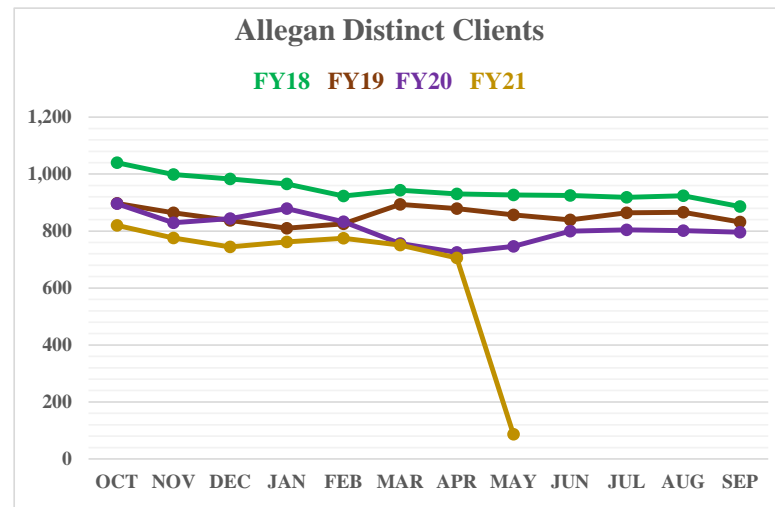


Allegan Behavioral Health

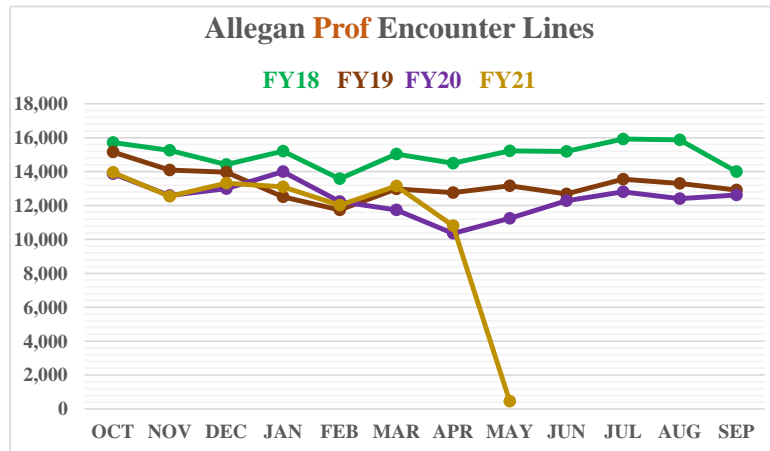
5/14/2021

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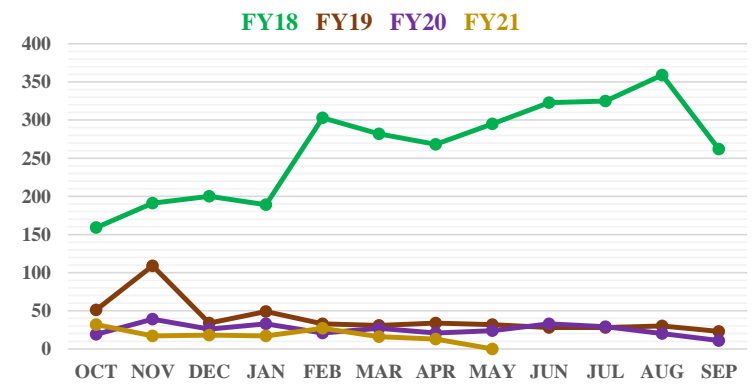
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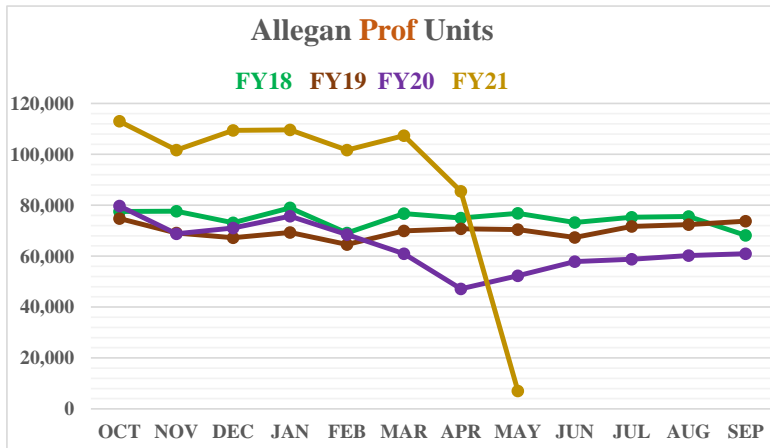
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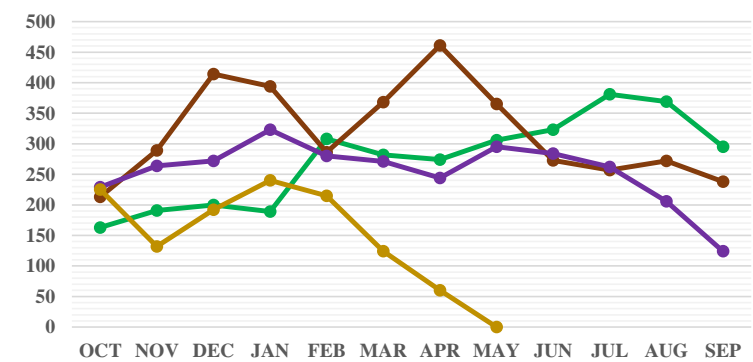
Allegan INST Encounter Lines



Total Units of Service



Allegan INST Units

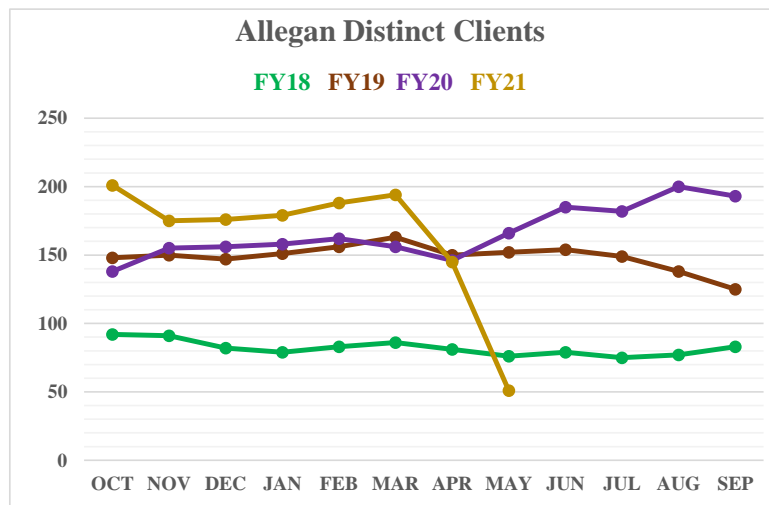


Allegan Substance Use Disorder

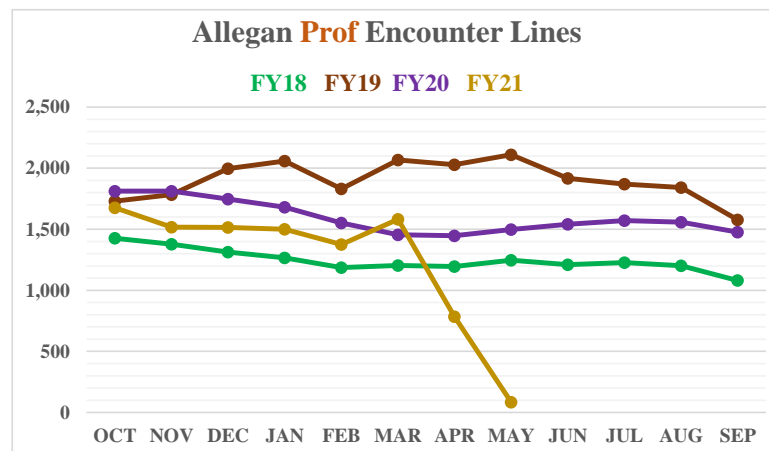
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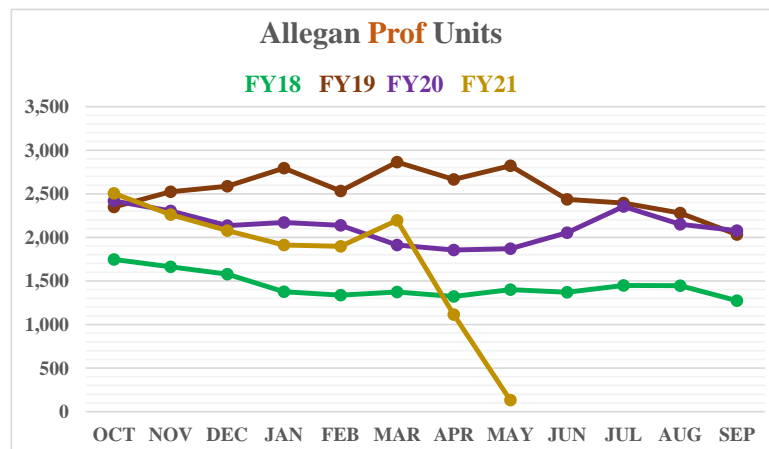
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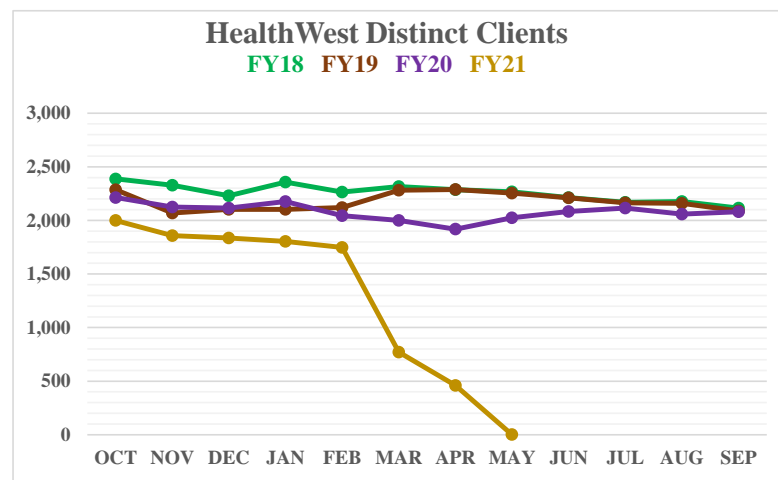
Total Units of Service



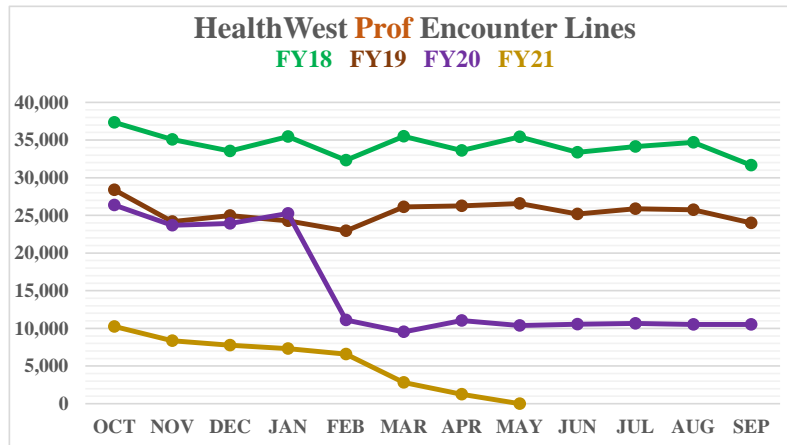
Compares FY18
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Encounters

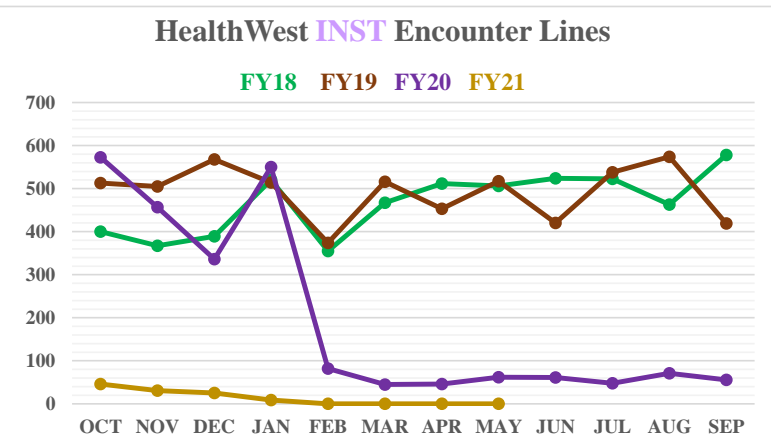
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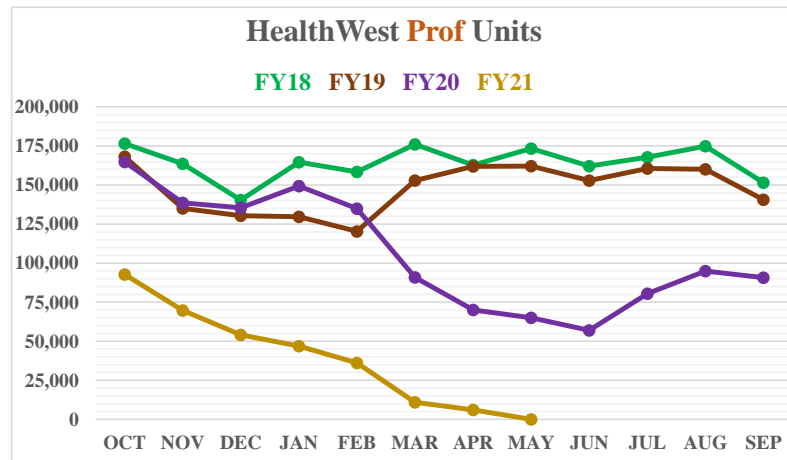
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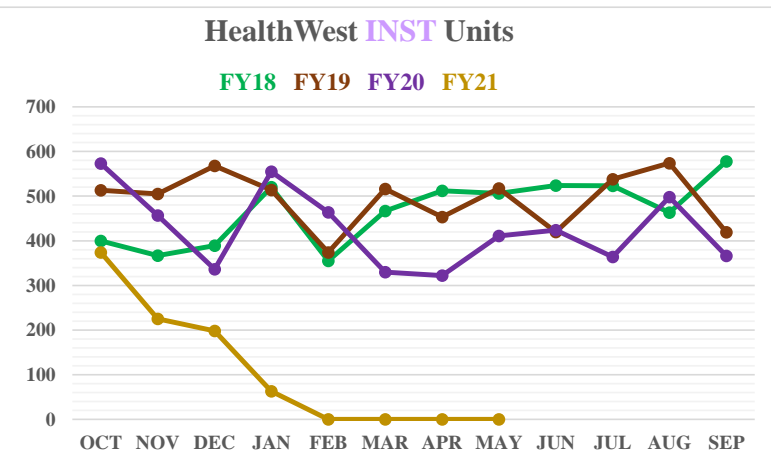
HealthWest INST Encounter Lines



Total Units of Service



HealthWest INST Units



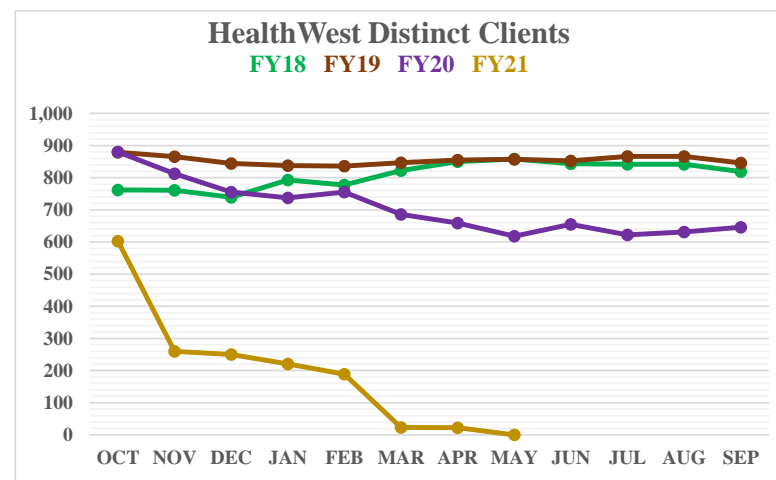
HealthWest Substance Use Disorder

5/14/2021

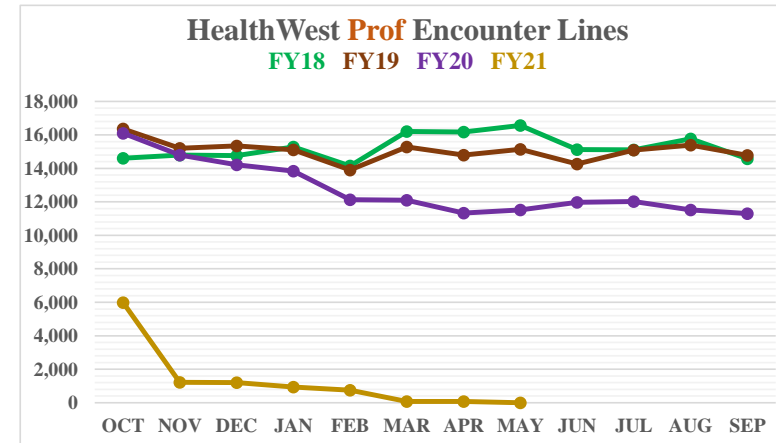
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Encounters

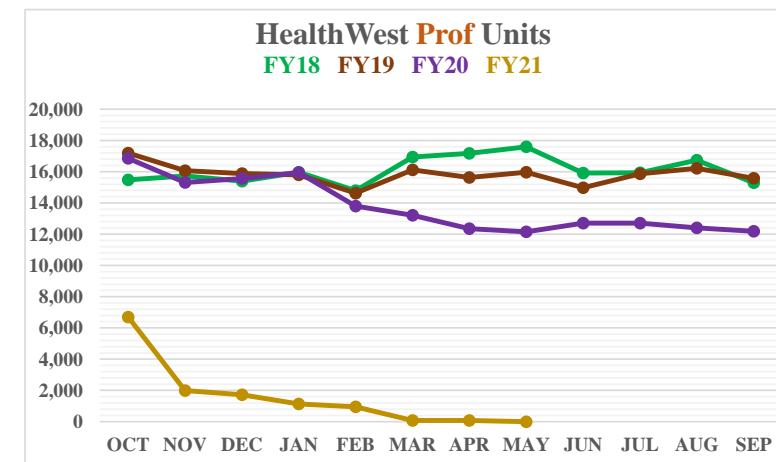
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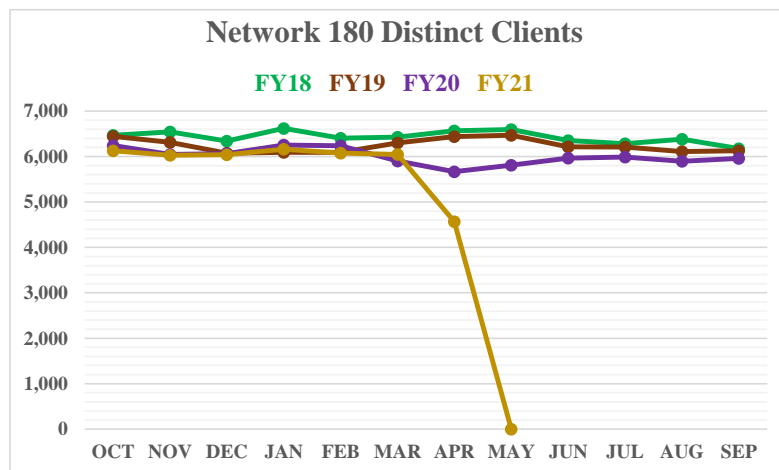
Network 180 Behavioral Health

5/14/2021

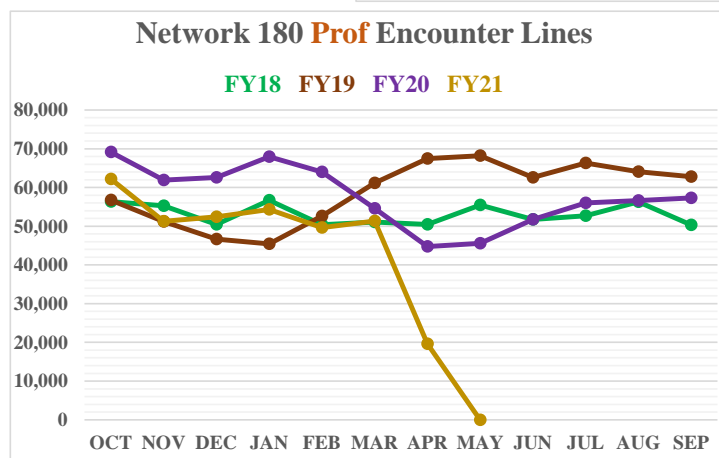
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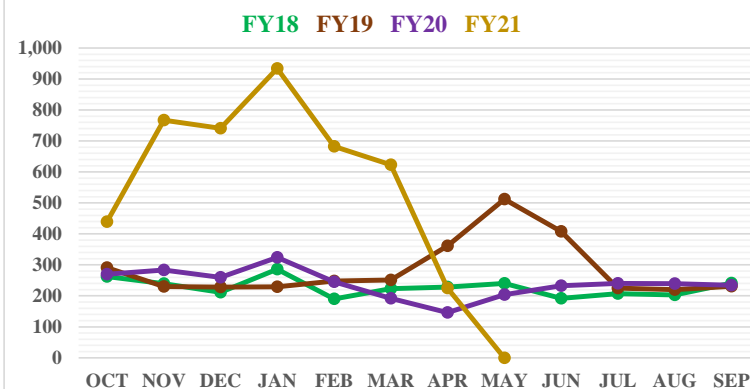
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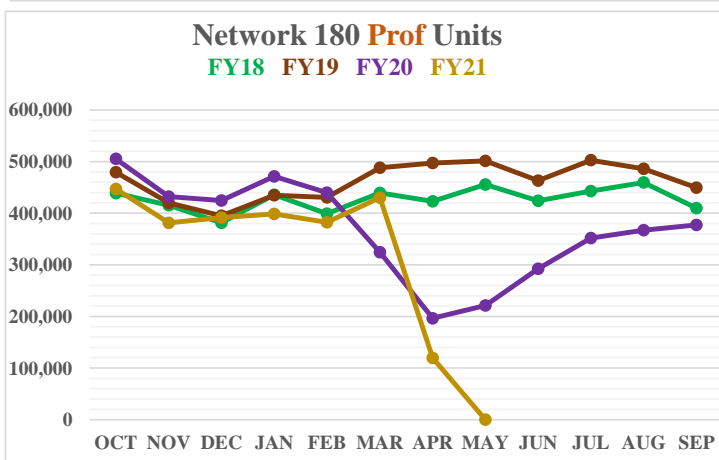
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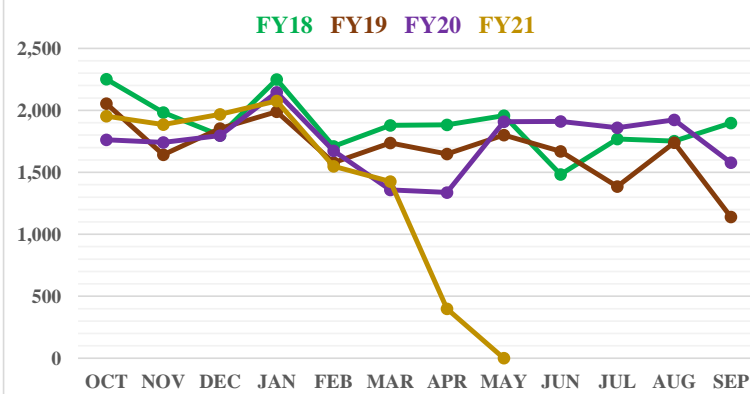
Network 180 INST Encounter Lines



Total Units of Service



Network 180 INST Units

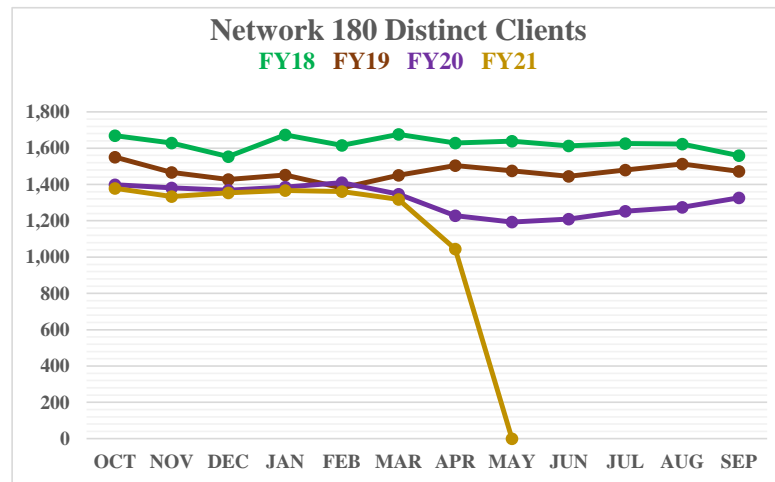


**Network 180
Substance Use Disorder**

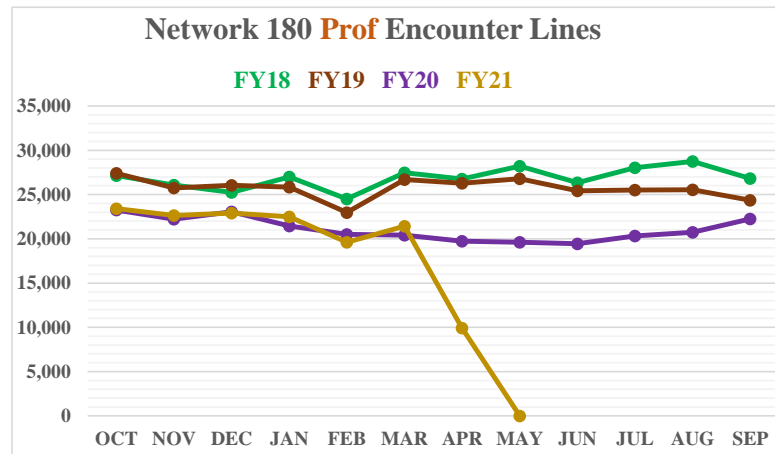
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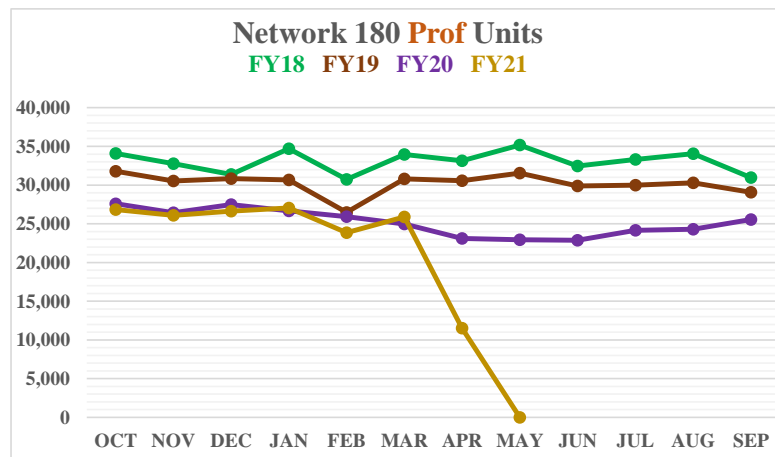
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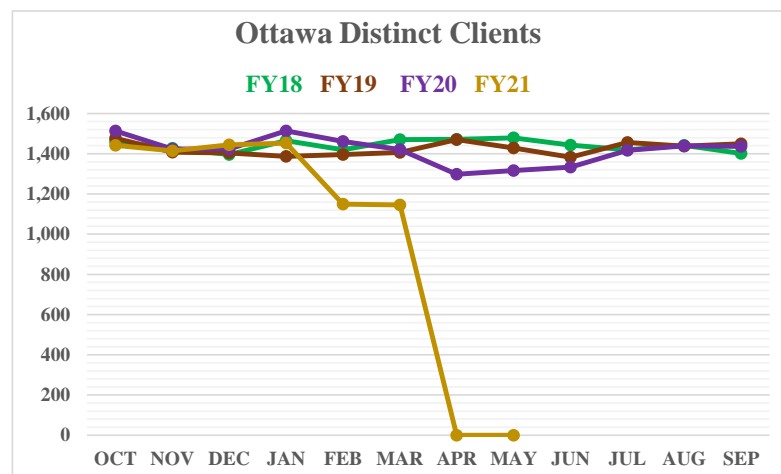
**Ottawa CMH
Behavioral Health**

5/14/2021

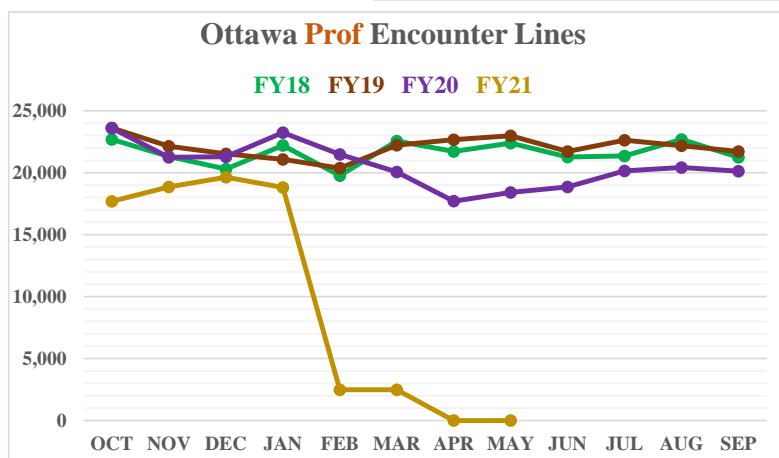
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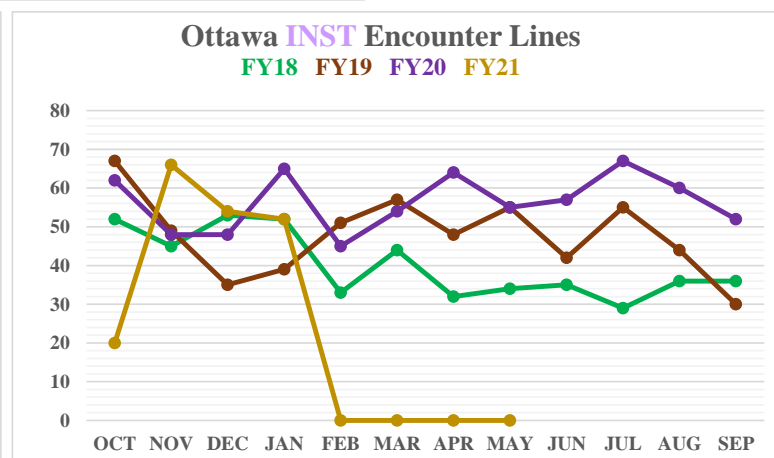
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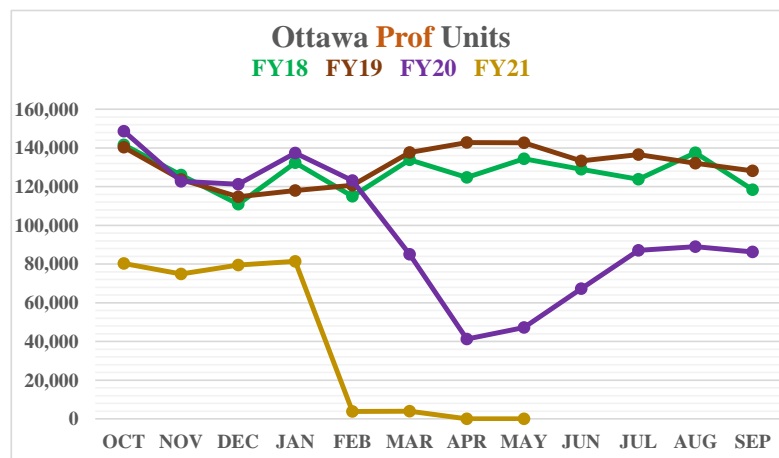
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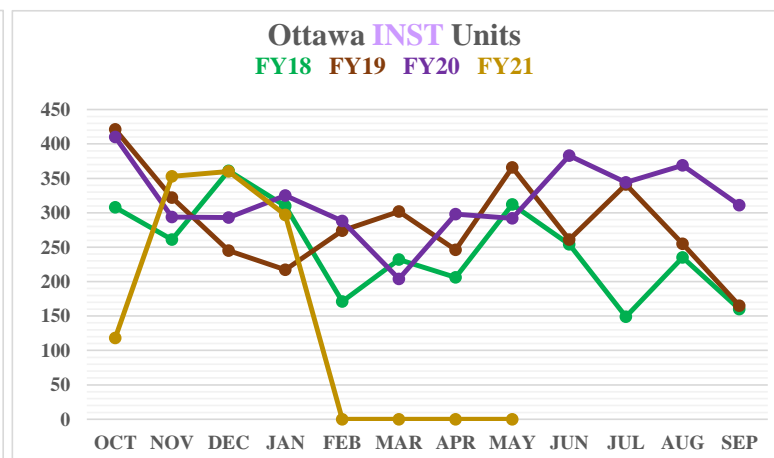
Ottawa INST Encounter Lines



Total Units of Service



Ottawa INST Units

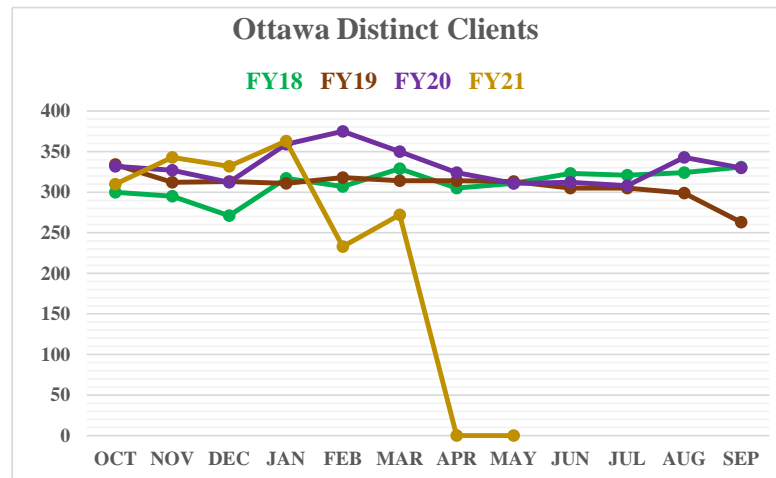


**Ottawa CMH
Substance Use Disorder**

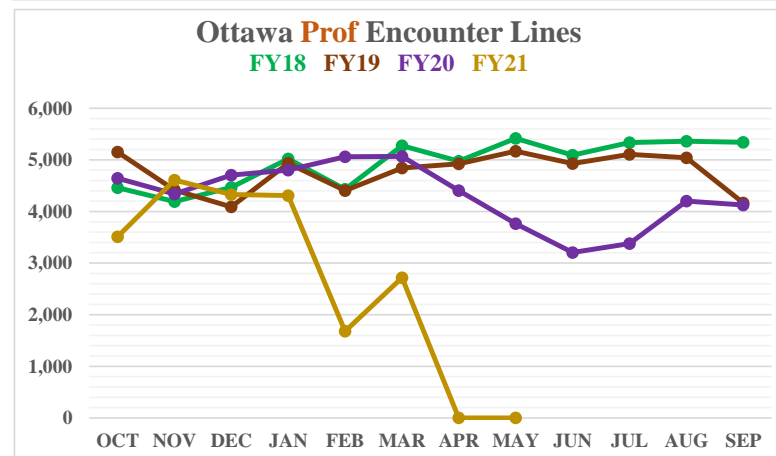
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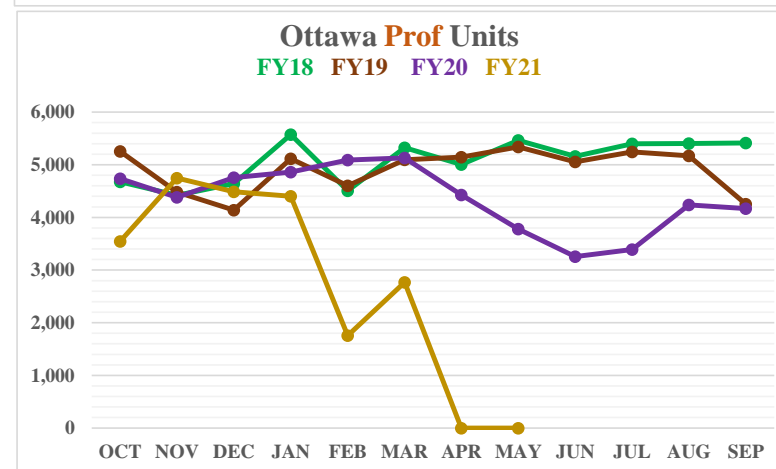
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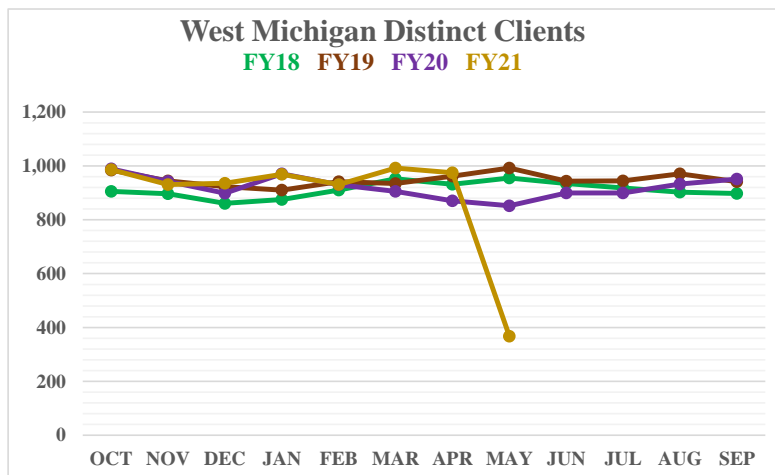


West Michigan CMH Behavioral Health

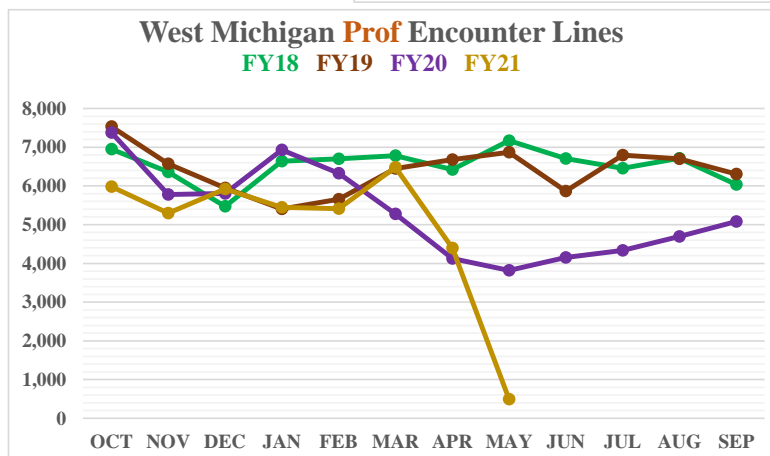
5/14/2021

Compares FY18
thru Current
FY21
Encounters

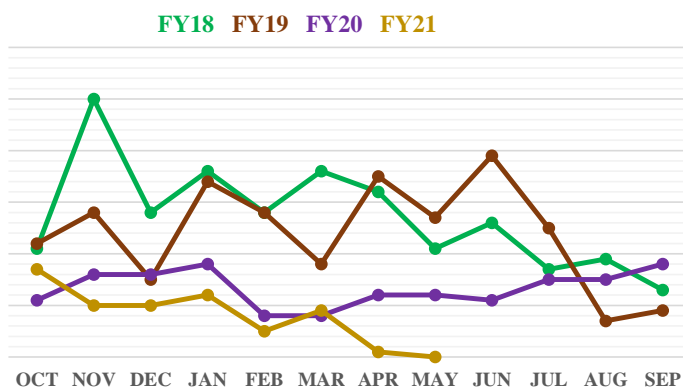
Distinct Client Count



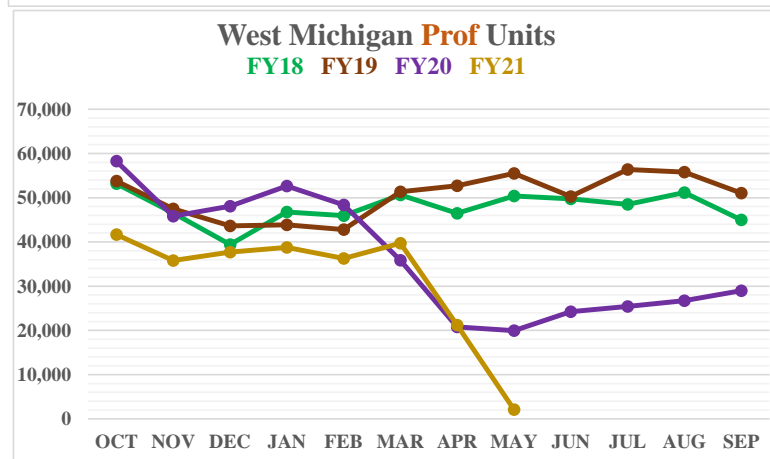
of Encounter Lines



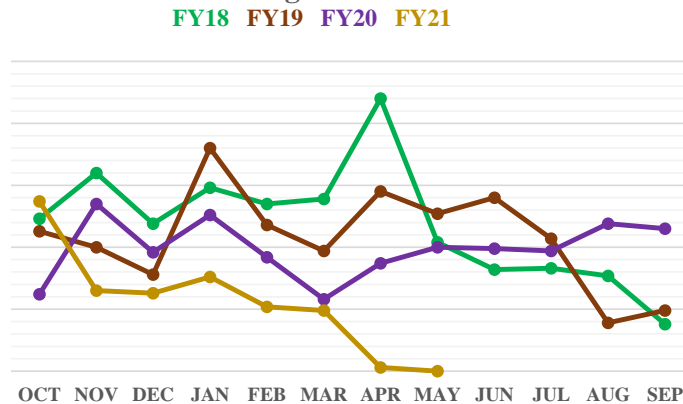
West Michigan INST Encounter Lines



Total Units of Service



West Michigan INST Units

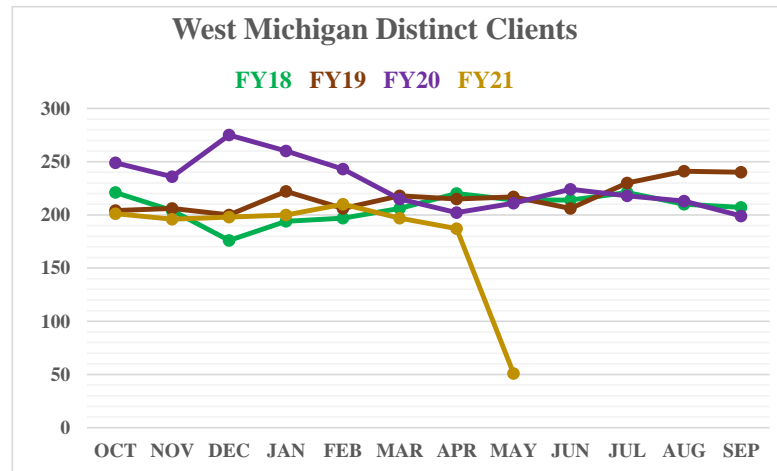


West Michigan CMH Substance Use Disorder

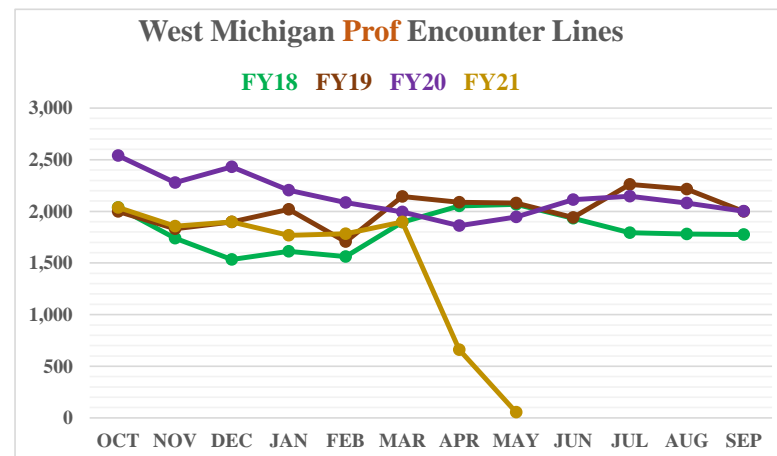
Compares FY18
thru Current
FY21
Encounters

5/14/2021

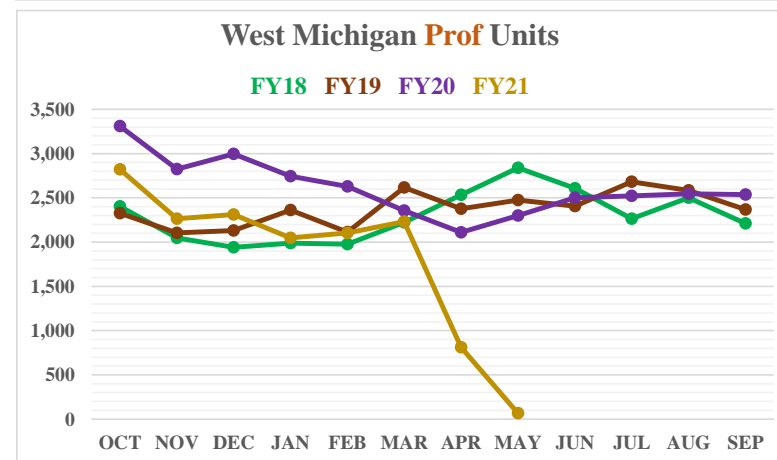
Distinct Client Count



of Encounter Lines



Total Units of Service



LRE May 2021 Board Report

Beacon Health Options

Consumer Importance and Impact

Beacon's mission of helping people to live their lives to the fullest potential is central to all of our activities and results. Here is a recent example:

Recently, a 42-year-old male received inpatient treatment at St. Mary's psych-med unit. This consumer was experiencing psychosis along with multiple medical issues that were exacerbating his condition. At one point in his treatment, he required total care. The Beacon reviewer consulted with a psychiatrist twice during this consumer's course of treatment to ensure that the treatment plan and medications were appropriate. After 9 rounds of ECT, this member was supposed to discharge home, but due to his level of acuity and inability to care for himself, his discharge kept getting delayed. The consulting Beacon psychiatrist provided insight in terms of the risk factors associated with discharging this member prematurely. Initially, there were concerns regarding placement and whether or not this consumer might need sub-acute rehab following his Inpatient stay. The psychiatrist closely examined the medications and treatment plan and confirmed that 9 rounds of ECT were appropriate for this consumer, as was the member's need to remain inpatient until he could demonstrate stability. When first admitted, this consumer was non-verbal and catatonic as well as refusing to eat. He was placed on an NG tube. At the time of discharge and after successful completion of 9 ECT sessions, he was fully verbal, eating on his own, and was well enough to discharge home rather than a sub-acute rehab facility. With the Beacon psychiatrist's support and direction, this consumer demonstrated significant improvement at the time of his discharge, and he has not required a higher level of care/crisis placement since then (approximately 7 weeks).

Beacon May Updates

LRE/Beacon new contract transitions

As part of the new contract transitions, there have been a number of productive discussions on Beacon's clinical management role going forward as well as reporting and use of data to drive analysis and outcomes.

The focus has also been on the upcoming transitions of Utilization Management, Continued Stay reviews for HealthWest and Network 180 on July 1st as well as Credentialing functions to LRE on July 1st. Follow up will continue to occur.

Selected Summary of Beacon/LRE/CMHP Collaboration

The following are some highlights of key functional areas and outcomes that Beacon/LRE/CMHP collaboration has achieved.

Finance

- Updated Revenue Projection Model
 - April 2021 Autism rate Adjustment
 - April 2021 Direct Care Wage (DCW) increase Medicaid
 - April 2021 Direct Care Wage (DCW) increase Waivers
 - Updated Member Month Projection for (May 2021-September 2021)
 - Updated Beacon ASO Fee
 - Updated the model to reflect April Capitation Payments
- Coordinated FY 2020 EQI data comparison for each CMH

Clinical Management Highlights

Utilization Management

LRE UM Clinical Steering Committee continues to meet monthly. The April meeting focused on the impact of COVID on consumers and CMHSP staff, reviewing the work of the over/under-utilization sub-committee, discussion of ways to implement inter-rater reliability tools within the region, and approving the LRE Utilization Management Plan for FY21. The over/under-utilization sub-committee has met on a few occasions. This group is currently working towards increased standardization for higher level of care concurrent reviews and coordination of care within the region. It is notable that all CMHSPs are experiencing difficulty locating psychiatric inpatient placements for children. This results in children remaining in the emergency departments for longer.

The Follow-Up after Hospitalization (FUH) HEDIS measure has shown regional improvement for the adult and child populations. In reviewing data to April 10, 2021, 4 of the 5 CMHSPs appear to be meeting the measure for adults and 5 out of 5 are meeting the measure for children. The general consensus amongst all 5 CMHSPs is that crisis admissions have increased recently. Once encounter data becomes available for this time period, this information will be reported to the Board.

Integrated Healthcare

In April, monthly joint care coordination meetings were held with each of the Medicaid Health Plans that serve this part of the state. During the April monthly meetings, 39 consumers were discussed with their respective MHP related to their potential benefit from having an interactive care plan and thus improving care and quality of life, removing barriers, and decreasing unnecessary utilization of services. There were 15 newly discussed consumers, with most resulting in the creation of an Interactive Care Plan in the State's database (CC360). This will foster increased collaboration between all professionals treating these complex consumers, from both the medical and behavioral health perspective.

Medical Director Update

- Meeting with LRE leadership and BHO clinical leads to develop priorities and strategy for UM processes moving forward
 - Focus on working with over/under utilization committee to build process and content infrastructure in support of the transition of continued stay reviews (CSR) from LRE/Beacon to CMHs as well as UM functions moving forward, including standardizing; developing inter-rater reliability (IRR) capacity; etc.
- LRE UM Steering Committee
 - Maintain situational awareness of UM activities across the region including LRE and CMHs
 - Operationalize DC planning, care coordination, and complex case review opportunities for HLOC
 - Build UM infrastructure for region and CMHs
- LRE Medical Director meetings
 - Address current COVID challenges and solutions
 - Monitor telehealth
 - Discuss vaccine hesitancy
 - Assimilate state response
- LRE COVID/Operations Committee meetings with CEOs and CIOs
 - Discuss vaccine hesitancy
 - Report access to vaccines
 - Survey numbers/trends
 - Share CMH responses to COVID
 - Review state responses as indicated
- Continue to support
 - LRE QOC
 - Beacon QOC
 - LRE QI ROAT
 - LRE Grand Rounds
 - LRE/Beacon Appeals
 - LRE Prior Review and Approval Request Committee
 - Network hospitals regarding complex cases

- Complex case reviews
 - Ongoing to assist in care of consumers
- PIHP Parity workgroup
 - Indicia contract
 - IRR
 - UM implementation
- MDHHS Medical Director meetings
- MDHHS PIHP/CMH meetings
- Beacon Integrated Care COE co-lead in support of integrated care efforts in region
- Beacon Medical Director Group in support of LRE work
- Beacon/LRE management meeting

Quality Management

HSAG updates

HSAG Reviews for FY21

Performance Measurement Validation (PMV) Review

- The HSAG Technical Assistance PMV Webinar occurred on March 25, 2021. PIHPs & MDHHS staff attended this Webinar.
- The ISCAT, supporting documentation and source code was submitted to HSAG on May 7, 2021 as required.

The HSAG WebEx 2021 PMV Review is scheduled for June 14, 2021.

HSAG Compliance Review

- The HSAG Technical Assistance Compliance Webinar occurred on April 12, 2021. PIHPs and MDHHS staff attended this Webinar
- HSAG requires the PHIP to submit completed compliance review tools, checklist review, and supporting documentation by May 28, 2021. QI Staff are currently in the process of collecting and completing these proof documents.
- The 2021 HSAG Compliance Review WebEx is scheduled for July 21, 2021. LRE/Beacon subject matter experts will attend and respond to HSAG's questions as needed

Michigan Mission Based Performance Indicator Quarterly Report (MMBPIS)

The FY21 Quarter 1 MMBPIS Report was submitted to MDHHS on March 31, 2021. There are six performance indicators that have MDHHS Standards, Lakeshore Regional Entity met the MDHHS Standards for all six of these this quarter.

Operations

- PowerBI dashboards introduced to LRE staff. Beacon will work with LRE on format and access to data.
- Working to introduce new episode logic to reports containing statistics for higher levels of care to further facilitate report automation.
- 100% of eligibility files processed within timeframes
- Initial service grouping reference table complete, further vetting with finance and provider stakeholders needed to complete project. This will facilitate service aggregation in financial trending reports
- Finalized workflows related to delivery of new MDHHS required reports for Grievance and Appeals to LRE.
- Initial development started to automate appeals data load to MDHHS template.
- Continue to meet with LRE staff to discuss transition of functions from Beacon to LRE with a focus on the July credentialing shift from Beacon to LRE.
- Transition of UM function transitioned to Ottawa, Allegan, and West Michigan CMHs
- FUH reports submitted by CMHs to LRE successfully aggregated with Beacon data for HealthWest and N180. Meeting with LRE and CMHs to improve data completeness and quality.
- Continue to explore alternative data sources for providing LRE with reporting and analytics once UM functions complete transition back to CMHs 7/1/21.

Network

- Geo Access reporting to assess the adequacy of the provider network
- Updating financial analysis of rate comparisons for Region compared to State
 - To include MDHHS Behavioral Health Fee Schedule as it is released
- Further developing expense PMPM and utilization reporting
- Ad hoc support of MDHHS inquiries (i.e. IP rates & hourly rates for DCW)
- Provide support for monthly report to MDHHS on Network Stability
- Provide financial analysis and rate recommendations
- Lead efforts for provider network Common Contract
- Co-lead the Regional Edits workgroup

EXECUTIVE COMMITTEE SUMMARY

Wednesday, May 12, 2021, 3:00 PM

Present: Mark DeYoung, Peg Driesenga, John Snider, Stan Stek, Jane Verduin

WELCOME

- i. Review of May 12, 2021 Meeting Agenda
- ii. Review of April 7, 2021 Meeting Minutes

The May 12, 2021 meeting agenda and the April 7, 2021 meeting minutes were accepted as presented.

FINANCIAL UPDATES

- The revenue projection was included in the meeting materials and is updated through April. There was an increase in projected revenue and is now estimated \$397 million. The DCW increase that will go through September is a factor in the increased revenue, at about \$15 million through the rest of the year. Another factor will be the membership with an additional 91,000 because the amount of eligibles is projected to remain stable for TANF and MC. The last major factor for the increased revenue is Autism because it has not been adjusted for the new C schedule – the total adjustment for that will be \$30 million. We are still discussing distribution of this rate adjustment.
- DCW will be about \$23 million for the entire year.

BEACON CONTRACT TRANSITION UPDATE

- LRE/Beacon are working on the Credentialing function that will move to the LRE on July 1. We are reviewing the PCE credentialing modules to help support this function.
- We would like to begin coordinating with Beacon staff prior to moving Quality back, but this is challenging due to Beacon HR policies.
- We have moved UM back to Allegan, Ottawa, and West Michigan CMHs. HW and N180 will begin Continued Stay Reviews on July 1.
- We are working with Beacon on analytics and have begun to give them project deliverables. The LRE will continue to report on the completion of deliverables to the Board.

MDHHS SETTLEMENT UPDATE**Action Plan**

- We have turned in all our documents to MDHHS. Allen Jansen communicated that the senior level staff have approved the action plan. The Attorney General will contact Greg Moore to finish the formal document to give to the ALJ.

Historical Deficit

- The deficit proposal is being reviewed and we have not received any information on this, other than MDHHS is talking with CMS.

HEALTHWEST INITIATIVE UPDATE

- Mr. Riley has met with HW staff, who he is working on various projects with. Mr. Riley will complete a system recommendation within the next couple days.

LRE EXPANSION UPDATE

Open Positions/New Hires

- Monday, May 17 Stacia Chick will begin as our new CFO. She will attend the May Board meeting.
- We are looking at adding more IT staff and will begin writing up new job descriptions for other areas in the LRE.

Office Design

- We are working on the office design and furniture and will bring to the Board for approval this month.

BOARD MEETING LOCATION

- A consideration would have to be the amount of space needed to hold an in-person meeting.
- We will have the May meeting virtual. We will begin discussing a schedule for moving back to in person meetings.

BOARD MEETING AGENDA ITEMS

BOARD WORK SESSION AGENDA

No Work Session.

OTHER

- CMH CEOs would like to target the June Board Meeting to have a Work Session to discuss CCBHC.
- Circulate the Shirkey and Whiteford proposals. The PIHP CEOs have written a letter that will be signed by all the CEOs.
 - Discussion regarding the Whiteford proposal and the involvement of a BHO as the single PIHP and the possible conflict of interest.
 - Ms. Dyga will send out information from CMHAM to the Board members.

- Contact Alan Bolter about attending the May Board Meeting and giving a 10-minute update. If he cannot attend in May ask about attending the June Work Session.

UPCOMING MEETINGS

- May 20, 2021 – LRE Executive Board Meeting, 1:00 PM
- June 9, 2021 – Executive Committee, 3:00 PM
- June 10, 2021 – Consumer Advisory Panel, 1:00 PM

ADJOURN

Lakeshore Regional Entity

Financial Statements
September 30, 2020



Lakeshore Regional Entity
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September 30, 2020

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Independent Auditor's Report

To the Members of the Board
Lakeshore Regional Entity
Norton Shores, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of Lakeshore Regional Entity (the Entity), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the Entity, as of September 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The accompanying financial statements have been prepared assuming that Lakeshore Regional Entity will continue as a going concern. As discussed in Note 19 to the financial statements, Lakeshore Regional Entity has a deficit net position of \$(19,265,783) in the Mental Health Operating Fund and has incurred substantial annual deficits in the preceding fiscal years which raises substantial doubt about its ability to continue as a going concern. These financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2021, on our consideration of the Entity's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Entity's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Entity's internal control over financial reporting and compliance.

Sincerely,

A handwritten signature in cursive script that reads "Roslund, Prestage & Company, P.C.".

Roslund, Prestage & Company, P.C.
Certified Public Accountants

May 14, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS



Lakeshore Regional Entity Management's Discussion and Analysis

The summary financial information contained in this analysis is presented for the twelve-month period of October 1, 2019 through September 30, 2020. This analysis will help provide a context for the reader and assist in understanding the financial position of Lakeshore Regional Entity (LRE).

During fiscal year 2020, LRE completed its sixth full fiscal year of operations as a Prepaid Inpatient Health Plan (PIHP). There are five (5) Community Mental Health Service Programs (CMHSPs) associated with LRE consisting of Allegan Community Mental Health Authority, Healthwest (Muskegon County), Network 180 (Kent County), Ottawa Community Mental Health, and West Michigan Community Mental Health Authority covering seven (7) counties in West Michigan.

Financial Highlights

- In FY2020, to the Region's advantage, the State of Michigan added an additional \$244,000,000 to support the increasing utilization trends in the Medicaid and Healthy Michigan Plan programs throughout the state. Lakeshore Regional Entity received the 2nd highest revenue percentage increase out of 10 Prepaid Inpatient Health Plans in Michigan.
- For the first time since FY17, the LRE was able to contribute dollars to its Internal Service Fund (ISF). A total of \$2,420,925 is in its ISF account and available for future risk.
- MDHHS and its actuary adopted a new funding model in FY20 that is more indicative of the actual level of service needs and individuals served. This resulted in additional funding being received by the LRE.
- There were no Medicaid Savings realized in FY19, however in FY20 the LRE ended with \$10,081,642 in its Medicaid savings fund.
- Healthy Michigan Plan (HMP) services continue to exceed revenues received from MDHHS. The FY20 HMP deficit was (\$3,896,770) which required the use of Medicaid savings that would have otherwise been available to fund future program and service initiatives.

Operational Highlights

- The LRE contracted with Beacon Health Options to manage several delegated functions for the region in January 2019. Leadership from Beacon, LRE, and CMHSPs continued to meet regularly to discuss regional goals, objectives, challenges, solutions, and concerns. The current contract is scheduled to renew on October 1, 2020.
- On June 28, 2019 MDHHS notified the LRE of its intent to terminate its contract with the LRE. The letter stated that despite LRE efforts to improve managed care functions, the contract would be cancelled for failure to address financial risk for the region. In fiscal year 2020, several things took place in response to the state's action.
 - The LRE requested an administrative hearing, and a hearing with the Administrative Law Judge (ALJ) that was scheduled for October 17, 2019. However, in September of 2019 MDHHS reached out to the LRE with the intent of working out a settlement agreement that would address their concerns moving forward and allow continuation of the contract with LRE. A deferral of the hearing with the ALJ was requested and received.
 - The first meeting occurred on September 23, 2019 with representatives from MDHHS, LRE and its Board, Beacon Health Options, and CMHSPs. Progress was made on establishing certain terms for an agreement. Several issues, Board governance and past financial deficits, remained under negotiation with MDHHS. In March 2020 these negotiation meetings were deferred due to the urgency of the COVID-19 pandemic. The hearing remains on deferral as negotiations continue into 2021.
- COVID-19 took an extremely high priority in our region and across the state. Actions, communications, and very detailed plans from the LRE and the CMHSPs were developed to assure necessary services were provided, while seeking to develop protections that meet Michigan guidelines. Provider network stability plans and premium payments for direct care workers were also established as part of the process. We are grateful for the tremendous work and heroic actions taken by our providers and the entire behavioral health system in responding to the needs of our communities and consumers during such a challenging time.
- In September 2020, the LRE's CEO announced his retirement after spending over 42 years working in the behavioral health field. The LRE, its Board, members and providers are thankful for his commitment, dedication, and service. Well wishes are extended to him during his retirement.

Lakeshore Regional Entity Management's Discussion and Analysis

Overview of Financial Statements

LRE's financial statements comprise two components:

1. Proprietary Funds financial statements
2. Notes to the financial statements

Proprietary Fund financial statements are designed to provide readers with a broad overview of the organization's finances in a manner similar to a private sector business. Business type activities include services primarily funded through user charges.

The Statement of Net Position presents information on all of the Authority's assets and liabilities with the difference between assets and liabilities being reported as net position. Changes in net position serve as a useful indicator in determining whether the financial position is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Position presents information showing how net position changed during the fiscal year. Reporting of activities is on an accrual basis meaning that the change in net position is reported as soon as the underlying event giving rise to the change occurs regardless of the timing of the related movement of cash.

The Statement of Cash Flows is a financial statement that shows how changes in balance sheet accounts and income affect cash and cash equivalents, and breaks the analysis down to operating, investing and financing activities. The statement captures both the current operating results and the accompanying changes in the balance sheet. As an analytical tool, the statement of cash flows is useful in determining the short-term viability of a company, particularly its ability to pay bills.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources segregated for specific activities or objectives. The Entity, similar to state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Entity may be divided into two categories: The Enterprise Fund and the Internal Service Fund.

Proprietary Funds - Enterprise Funds – Proprietary funds are used to account for the Entity's business-type activities.

Enterprise funds account for revenues and expenditures in a separate fund with its own financial statements rather than being commingled with revenue and expenses of the internal service fund. LRE currently has one Enterprise fund in which all financial transactions occur. At year end, activity associated with the Internal Service Fund is reported separately as referenced below, however the current general ledger system does not reflect these separate and distinct funds.

The Entity adopts an annual budget for its Enterprise Fund and tracks variances between anticipated versus actual revenue and expenditures.

Lakeshore Regional Entity Management's Discussion and Analysis

Proprietary Funds – Internal Service Funds

Proprietary funds are used to account for the Entity's business-type activities. The Risk Reserve Funds are used to account for assets held as a reserve against potential liabilities relative to and as allowed by its contract with the Michigan Department of Health and Human Services (MDHHS). The Entity submitted a risk management plan to MDHHS for approval but was unable to secure all planned funding to cover its liabilities for this fiscal year.

Notes to Financial Statements

The notes provide additional information essential to a full understanding of the data provided in the government- wide and fund financial statements. The accompanying notes are an integral part of the financial statements and must be reviewed in conjunction with the information reported on the financial statements to provide a full understanding of the Entity's financial situation.

Proprietary Funds Financial

Analysis Summary of Net Position

The following summarizes the assets, deferred outflows of resources, liabilities and net position on an agency- wide basis for the years ended September 30, 2020 and September 30, 2019.

STATEMENT OF NET POSITION		
	2020	2019
Cash and cash equivalents	33,960,091	\$14,057,568
Restricted & other current assets	1,628,363	1,194,604
Due from other funds	5,298,247	0.00
Due from other governmental units	<u>58,056,286</u>	<u>37,515,277</u>
Total Assets	98,942,987	52,767,449
Payables	4,092,887	3,341,833
Unearned Revenue	10,111,699	8,500,970
Due to other funds	5,298,247	<u>1.00</u>
Due to other governmental units	<u>85,895,239</u>	<u>65,808,825</u>
Total Liabilities	105,398,072	77,651,628
Restricted for risk management	2,420,925	0.00
Other Restricted	10,389,773	0.00
Net Investment in capital assets	0.00	35,700
Unrestricted	(19,265,783)	(24,919,878)
Total Net Position	<u>(\$6,455,085)</u>	<u>(\$24,884,178)</u>

Assets consist of Medicaid, Healthy Michigan, and PA2 Savings. Assets also consist of amounts due from MDHHS and CMHSPs within our region. Liabilities consist of accruals for vendor payables, payroll, and compensated absences, as well as Healthy Michigan and PA2 reserves (unearned revenue). Liabilities also include funds due to MDHHS and CMHSPs within our region.

Lakeshore Regional Entity Management's Discussion and Analysis

Summary of Activities

The following summarizes the revenues, expenses and changes in net position on an agency-wide basis for the years ended September 30, 2020 and September 30, 2019.

CHANGES IN NET POSITION		
	2020	2019
Interest	\$ 13,515	\$ 21,065
Local Match Drawdown	2,040,096	2,556,372
State Funding	328,787,819	294,826,081
Federal Funding	<u>8,060,192</u>	<u>9,078,753</u>
Total Revenue	325,725,264	306,482,271
 Taxes and Fees	 12,900,675	 12,843,649
Local Match Drawdown	2,040,096	2,556,372
Payments to CMHSP's	298,612,857	294,099,803
Payments for SUD Prevention	3,133,847	3,697,855
PIHP Operations	<u>12,809,866</u>	<u>9,773,077</u>
Total Expenses	329,497,341	322,970,756
 Transfer In/(Out):		
Med Savings/ISF Transfer In	\$2,420,925	0
 Change in net position	 9,404,281	 (16,488,486)
Beginning Net Position	(24,884,178)	(9,309,724)
 Total Net Position	 <u>\$ (6,455,085)</u>	 <u>\$ (24,884,178)</u>

Revenue consists of Medicaid, DHS Incentive, Habilitations Supports Waiver, Serious Emotional Disturbance Waiver, Children's Waiver Program, Healthy Michigan Plan, Autism, PA2 and Community Grant. Expenses consist of PIHP operations, payments to member CMHSPs, payments to Prevention Providers, taxes, and fees.

Future Outlook

The LRE continues to engage and communicate with MDHHS to address concerns MDHHS has regarding the region. Since the LRE did not have a risk management strategy to cover all Medicaid and Healthy Michigan Plan services provided, it was seen to be financially unstable and placed under a month-to-month contract with MDHHS. Unfortunately, the fiscal distress that LRE has experienced for the last few years (and those of several other PIHPs in Michigan) is the result of the systemic underfunding of the public behavioral health system. However, there has been full participation of the LRE and MDHHS leadership to settle all contractual related issues and adopt an action plan that addresses their concerns and strategically moves the region forward with no sanctions and a full year contract. Significant progress has been made during the first quarter of FY2021. Addressing past deficits is part of the settlement discussion and on April 15, 2021 the LRE Board approved a proposal to resolve all past liabilities. This proposal was submitted to MDHHS for review, and we are hopeful it gets approved and adopted by MDHHS and the State of Michigan.

Without financial stability, the provider network in the region and consumer services are threatened and at risk. The LRE is committed to ensuring consumer services and supports are sustained. The LRE along with many other public and private entities, stakeholders, providers, legislators, and advocates will continue to be a voice for our consumers in support of funding to provide publicly mandated substance use and behavioral health services to those in need. The LRE Board promotes better health, better care, and better value, including funding equity across the region and state. The region is currently focused on responding to consumer need during Michigan's COVID-19 crisis.

In fiscal year 2020 the revenue allocation model for PIHPs was altered based on feedback from the PIHPs and CMHSPs. The changes in the methodology significantly improved the financial status of the LRE for 2020, and

Lakeshore Regional Entity Management's Discussion and Analysis

estimates for 2021 show a continuation of projected surpluses for the region.

A combination of strong financial operations combined with appropriate funding is critical to our region's success. Tighter management of financial operations for the region are laid out in three important documents at the LRE: MDHHS Action Plan, financial stability proposal to MDHHS, and the LRE Tactical Plan. Our commitment as the entity, responsible for ensuring and promoting mental health, developmental disability services as well as substance abuse services on behalf of our 7-county region remains strong.

Contact Information

As always, questions, comments, and suggestions are welcomed from interested parties and the general public. These can be directed to the Lakeshore Regional Entity, Finance Department, 5000 Hakes Dr. Suite 250, Norton Shores, MI 49441.