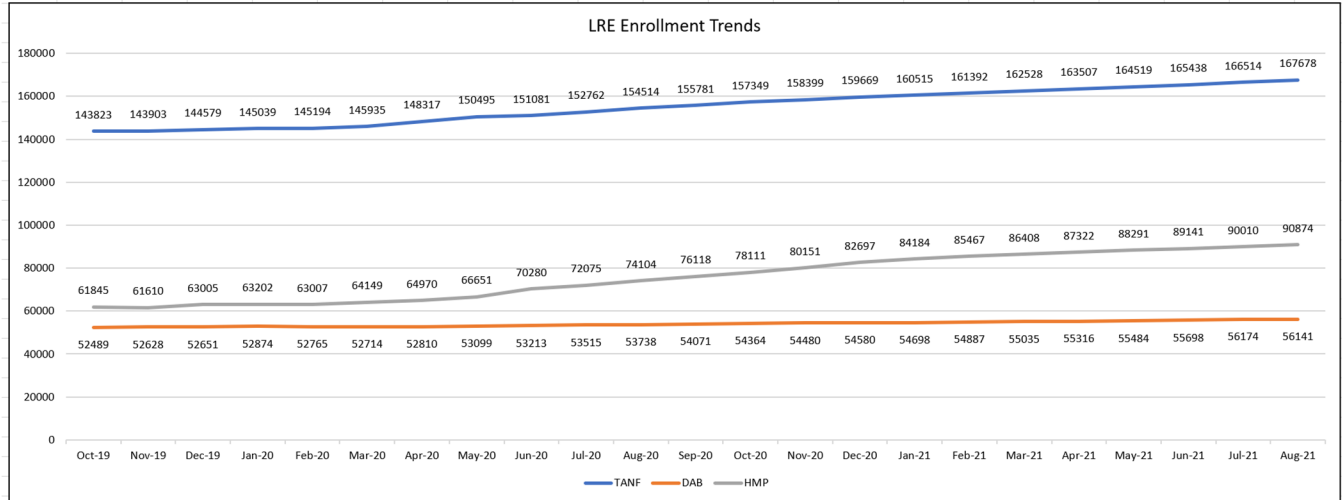


Lakeshore Regional Entity Board Financial Officer Report for January 2022

- ✚ **Disbursements Report** – A motion is requested to approve the November 2021 (Revised) and December 2021 disbursements. A summary of those disbursements are included as an attachment.
- ✚ **Statement of Activities** – report through November is included as an attachment.
- ✚ **Bucket Report** – November 2021 Bucket Report is not available. We plan to present the report to the Board as soon as possible. Several of our CMHSP Members and the LRE have been experiencing financial reporting delays for due to changes in key financial staff, general ledger systems, electronic health records systems changes, implementation of Standard Cost Allocation, FY22 Code/Modifier changes, implementation of the CCBHC Demonstration Program and other competing demands.
- ✚ **FY 2022 Revenue Projections** – Updated revenue and membership projections by program and CMHSP are below. This month's revenue projection includes an overall decrease of approximately \$2.1 million. The decrease in revenue is primarily due to a decrease in the overall per member per month amount.
- ✚ **FY 2022 Budget Amendment** – A motion is requested to approve the FY22 budget amendment 1. The budget amendment is on the agenda and will be included as an attachment.
- ✚ **Financial Risk Management Strategy Plan** – Our Annual Risk Management Strategy (RMS) Plan was due to the State on December 3, 2021. The plan was reviewed by our CMHSP Members and the LRE submitted a draft plan to MDHHS by the deadline and the plan was approved by the Board in December 2021. MDHHS reviewed the plan and requested revisions (due January 14, 2022) based on a technical assistance memo from October 10, 2008. The LRE obtained an RMS template used by several other PIHPs and submitted a revised plan to MDHHS on January 11, 2022. The plan was also reviewed by Operations Council and distributed to Finance ROAT as well. As of January 19, 2022, we have not heard back from MDHHS whether the plan has been approved.
- ✚ **Finance ROAT** – Our focus continues to be primarily on the following items at this time:
 - Revising reporting templates to better suit the needs of our CMHSP Members and the LRE – In Process
 - Drafting proposed revisions to 'Article IV Financial' of the Operating Agreement and recommending those revisions to the Operating Committee - Complete
 - Reviewing LRE Financial policies and procedures – In Process
- ✚ **Financial Data/Charts** – Below, this chart contains an annual and monthly comparison of the number of individuals in our region who are eligible for each program. The number of eligible individuals in

our region determines the amount of revenue the LRE receives each month. Data is shown for October 2019 – December 2021. The LRE also receives payments for other individuals who are not listed on these charts but are eligible for behavioral health services (i.e. individuals enrolled and eligible for the Habilitation Supports Waiver (HSW) program).





FY 2022 Revenue Projection									
Total LRE				CMHSPs Breakdown					
	Budget Projection	Current Projection	Change		Budget Projection		Current Projection	Change	
MCD - MH	\$ 210,718,637	\$ 208,213,712	\$ (2,504,925)		MCD - MH				
MCD - SUD	\$ 8,001,719	\$ 7,997,944	\$ (3,775)	Allegan	\$ 18,771,464	\$ 18,539,491	\$ (231,973)		
HMP - MH	\$ 29,893,170	\$ 31,262,919	\$ 1,369,749	Healthwest	\$ 43,407,881	\$ 42,747,159	\$ (660,722)		
HMP - SUD	\$ 17,253,882	\$ 17,831,758	\$ 577,876	Network180	\$ 104,964,414	\$ 103,759,111	\$ (1,205,303)		
Autism	\$ 40,680,921	\$ 41,035,896	\$ 354,975	Ottawa	\$ 28,142,172	\$ 27,950,636	\$ (191,536)		
Waiver	\$ 43,041,569	\$ 41,207,279	\$ (1,834,290)	West Michigan	\$ 15,432,707	\$ 15,217,314	\$ (215,392)		
LRE / Beacon Admin	\$ 13,703,413	\$ 13,714,994	\$ 11,580	Total MCD - MH	\$ 210,718,637	\$ 208,213,712	\$ (2,504,925)		
ISF	\$ 27,975,737	\$ 27,819,507	\$ (156,230)						
IPA	\$ 4,530,922	\$ 4,606,933	\$ 76,010		MCD - SUD				
Total Region	\$ 395,799,970	\$ 393,690,941	\$ (2,109,029)	Allegan	\$ 657,600	\$ 655,569	\$ (2,030)		
				Healthwest	\$ 1,728,516	\$ 1,729,730	\$ 1,215		
Total CMHSPs				Network180	\$ 4,015,409	\$ 4,001,382	\$ (14,027)		
	Budget Projection	Current Projection	Change	Ottawa	\$ 987,793	\$ 1,003,165	\$ 15,372		
Allegan	\$ 31,540,674	\$ 31,171,283	\$ (369,391)	West Michigan	\$ 612,402	\$ 608,097	\$ (4,305)		
Healthwest	\$ 67,233,116	\$ 66,600,478	\$ (632,638)	Total MCD - SUD	\$ 8,001,719	\$ 7,997,944	\$ (3,775)		
Network180	\$ 179,037,751	\$ 178,396,881	\$ (640,870)		HMP - MH				
Ottawa	\$ 47,943,777	\$ 47,837,321	\$ (106,456)	Allegan	\$ 2,279,184	\$ 2,385,595	\$ 106,410		
West Michigan	\$ 23,834,580	\$ 23,543,545	\$ (291,034)	Healthwest	\$ 6,109,782	\$ 6,345,087	\$ 235,304		
Total CMHSPs	\$ 349,589,898	\$ 347,549,508	\$ (2,040,390)	Network180	\$ 15,209,606	\$ 15,897,493	\$ 687,886		
				Ottawa	\$ 4,121,180	\$ 4,378,487	\$ 257,306		
				West Michigan	\$ 2,173,416	\$ 2,256,258	\$ 82,842		
	Budget Projection	Current Projection	Change	Total HMP - MH	\$ 29,893,170	\$ 31,262,919	\$ 1,369,749		
Allegan	\$ 100.52	\$ 97.92	\$ (2.60)		HMP - SUD				
Healthwest	\$ 90.98	\$ 88.95	\$ (2.03)	Allegan	\$ 1,297,699	\$ 1,344,182	\$ 46,483		
Network180	\$ 92.75	\$ 90.87	\$ (1.87)	Healthwest	\$ 3,634,023	\$ 3,731,215	\$ 97,191		
Ottawa	\$ 89.57	\$ 87.19	\$ (2.38)	Network180	\$ 8,776,141	\$ 9,073,774	\$ 297,633		
West Michigan	\$ 89.62	\$ 87.45	\$ (2.17)	Ottawa	\$ 2,280,070	\$ 2,383,049	\$ 102,979		
Total CMHSPs	\$ 92.38	\$ 90.32	\$ (2.06)	West Michigan	\$ 1,265,948	\$ 1,299,538	\$ 33,590		
				Total HMP - SUD	\$ 17,253,882	\$ 17,831,758	\$ 577,876		
					Autism				
				Allegan	\$ 3,372,448	\$ 3,401,876	\$ 29,427		
Member Month Projection				Healthwest	\$ 2,717,486	\$ 2,741,198	\$ 23,712		
	Budget Projection	Current Projection	Change	Network180	\$ 27,361,988	\$ 27,600,744	\$ 238,756		
Allegan	313,775	318,336	4,561	Ottawa	\$ 6,045,185	\$ 6,097,934	\$ 52,749		
Healthwest	739,013	748,739	9,725	West Michigan	\$ 1,183,815	\$ 1,194,145	\$ 10,330		
Network180	1,930,418	1,963,119	32,701	Total Autism	\$ 40,680,921	\$ 41,035,896	\$ 354,975		
Ottawa	535,257	548,647	13,390		Waiver				
West Michigan	265,944	269,213	3,268	Allegan	\$ 5,162,279	\$ 4,844,570	\$ (317,709)		
Total Member Months	3,784,409	3,848,053	63,645	Healthwest	\$ 9,635,429	\$ 9,306,089	\$ (329,339)		
				Network180	\$ 18,710,193	\$ 18,064,377	\$ (645,816)		
				Ottawa	\$ 6,367,378	\$ 6,024,050	\$ (343,327)		
				West Michigan	\$ 3,166,291	\$ 2,968,193	\$ (198,098)		
				Total Waiver	\$ 43,041,569	\$ 41,207,279	\$ (1,834,290)		

BOARD ACTION REQUEST**Subject : November 2021 Disbursements (Revised)**

Meeting Date: January 20, 2022

RECOMMENDED MOTION:

To approve the November 2021 disbursements of \$31,507,501.70 as presented.

SUMMARY OF REQUEST/INFORMATION:

<u>Disbursements:</u>	
Allegan County CMH	\$2,373,390.59
Healthwest	\$5,674,920.15
Network 180	\$15,555,502.38
Ottawa County CMH	\$3,960,308.75
West Michigan CMH	\$1,948,502.24
SUD Prevention Expenses	\$808,922.21
Local Match Payment	\$380,955.00
Hospital Reimbursement Adjuster (HRA)	\$0.00
SUD Public Act 2 (PA2)	\$185,939.98
Beacon Health Options	\$474,964.48
Administrative Expenses	\$144,095.92
Total:	\$31,507,501.70

96.81% of Disbursements were paid to Members and SUD Prevention Services.

I affirm that all payments identified in the monthly summary above are for previously appropriated amounts.

STAFF: Stacia Chick**DATE:** January 18, 2022

BOARD ACTION REQUEST**Subject : December 2021 Disbursements**

Meeting Date: January 20, 2022

RECOMMENDED MOTION:

To approve the December 2021 disbursements of \$27,530,237.54 as presented.

SUMMARY OF REQUEST/INFORMATION:

<u>Disbursements:</u>	
Allegan County CMH	\$1,898,998.29
Healthwest	\$4,467,290.46
Network 180	\$11,614,082.24
Ottawa County CMH	\$3,054,410.78
West Michigan CMH	\$1,736,028.73
SUD Prevention Expenses	\$199,481.32
Local Match Payment	\$0.00
Hospital Reimbursement Adjuster (HRA)	\$0.00
SUD Public Act 2 (PA2)	\$500,559.95
Beacon Health Options	\$0.00
Administrative Expenses	\$4,059,385.77
Total:	\$27,530,237.54

84.98% of Disbursements were paid to Members and SUD Prevention Services.

I affirm that all payments identified in the monthly summary above are for previously appropriated amounts.

STAFF: Stacia Chick**DATE:** January 18, 2022



Statement of Activities - Actual vs. Budget

Fiscal Year 2021/2022

As of Date: 11/30/21

	Year Ending 11/30/2021	11/30/2021		
Change in Net Assets	FY22 Budget <i>Initial</i>	Budget to Date	Actual	Actual to Budget Variance
Operating Revenues				
SUD Block Grant & State Opioid	8,484,553	1,414,092	555,282	(858,810)
Autism Revenue	45,558,628	7,593,105	7,717,708	124,603
PA 2 Liquor Tax	4,199,550	699,925	-	(699,925)
Interest Revenue	21,476	3,579	12,675	9,096
Performance Bonus Incentive	2,419,516	403,253	-	(403,253)
Local Match Revenue (Members)	2,040,096	340,016	340,016	-
Hospital Rate Adjuster (HRA)	10,377,547	1,729,591	-	(1,729,591)
MH Block Grant - Veterans Navigator	100,000	16,667	18,418	1,751
Block Grants - HispBH/NatAm/TobCess/Clubhouse	540,800	90,133	21,735	(68,398)
Substance Use Gambling, MI Youth Tx &	397,335	66,223	10,908	(55,314)
DHS Incentive	693,363	115,561	-	(115,561)
Medicaid, HSW, SED, & Children's Waive	288,842,209	48,140,368	54,890,993	6,750,625
Healthy Michigan	47,083,555	7,847,259	5,628,351	(2,218,908)
CCBHC Supplemental Revenue	0	0	1,569,036	1,569,036
Total Operating Revenues	410,758,628	68,459,771	70,765,123	2,305,352
Expenditures				
Salaries and Fringes	3,132,587	522,098	344,048	(178,050)
Office and Supplies Expense	259,630	43,272	82,611	39,339
Contractual and Consulting Expenses	490,495	81,749	104,257	22,507
MCIS	305,200	50,867	24,600	(26,267)
Data Analytics	173,750	28,958	-	(28,958)
Utilities/Conferences/Mileage/Misc Exps	4,357,154	726,192	41,197	(684,995)
Block Grants - Gambl/Veter/HispBH/NatAm/TobCes	1,005,800	167,633	49,955	(117,678)
Taxes, HRA, and Local Match	15,765,596	2,627,599	296,993	(2,330,606)
Prevention Expenses	2,744,632	457,439	286,354	(171,085)
Beacon Health Options - MCO Contract	5,252,384	875,397	-	(875,397)
Contribution to ISF/Savings	27,337,724	4,556,287	-	(4,556,287)
Direct Care Wage Lapse	0	0	-	-
Member Payments	349,933,676	58,322,279	52,495,790	(5,826,490)
Total Expenditures	410,758,628	68,459,771	53,725,804	(14,733,968)
Total Change in Net Assets	0	0	17,039,319	17,039,319



Statement of Activities Budget to Actual Variance Report

For the Period ending November 30, 2021

As of Date: 11/30/21

Operating Revenues

SUD Block Grant	Grant revenues not received for November yet.
Autism Revenue	N/A - Closely aligned with the current budget projections.
PA 2 Liquor Tax	PA2 revenues are received after the Department of Treasury issues payments to the counties. Initial payments were made to counties in April and counties began to make payments to the LRE in May.
Interest Revenue	Actual interest revenue is coming in higher than anticipated. Will be adjusting in FY22 Amend 1.
Performance Bonus Incentive	Revenue is received after the end of the fiscal year if health plan performance metrics are met.
Local Match Revenue (Members)	N/A - Closely aligned with the current budget projections.
Hospital Rate Adjuster (HRA)	Revenue is received quarterly. First quarter payment is expected in January.
MH Block Grant - Veterans Navigator	Grant revenues not received for November yet.
Block Grants -HisBH/NatAm/TobCess/Clubhse	Grant revenues not received for November yet.
Sub Use Gambling Prev & MYTIE	Grant revenues not received for November yet.
DHS Incentive	Receive this revenue quarterly beginning in April. Amounts are based on encounter data that supports services to Foster Care and CPS children.
Medicaid B, B3 and HSW	Will be adjusting FY22 Amend 1.
Healthy Michigan	Will be adjusting FY22 Amend 1.
CCBHC Supplemental Revenue	Will be adjusting FY22 Amend 1.

Expenditures

Salaries and Fringes	A significant portion of the additional salary expenses will not likely occur until after first quarter. Fringe expense adjustments will be made in FY22 Amend 1.
Office and Supplies Expense	Will be adjusting FY22 Amend 1.
Contractual & Consulting Expenses	Will be adjusting FY22 Amend 1.
MCIS	Payment not yet made for November.
Data Analytics	It is expected that the final expenses will align with the budget projections.
Utilities/Conf/Mleage/Misc Exps	Significant portions of this line item (Audit, Travel, Miscellaneous) are not anticipated until quarters three and four. This line item also includes the Beacon contract savings amounts which will be detailed during quarter three.
Block Grants -Veterans/HisBH/NatAm/TobCess	Most of these payments are billed to the LRE and paid by MDHHS 30-60 days in arrears.
Taxes, HRA and Local Match	IPA taxes and HRA are paid quarterly.
Prevention Expenses	Prevention expenses not yet fully received for November.
Beacon Health Options	It is expected that the final expenses will align with the budget projections.
Contribution to ISF	Not yet recorded for October and November.
DCW Lapse	Actual lapse will be determined at year end. Projections not yet made for FY22.
Member Payments	Member payments are based on actual revenues received from MDHHS. CCBHC caused a delay in actual member payments in October and November.