








## Lakeshore Regional Entity Board Financial Officer Report for December 2021

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-  **Disbursements Report** – A motion is requested to approve the Revised October 2021 and November 2021 disbursements. A summary of those disbursements are included as an attachment.
-  **Statement of Activities** – report through October is included as an attachment.
-  **Bucket Report** – October 2021 Bucket Report is not available. We plan to present the report to the Board in January. Several of our CMHSP Members and the LRE have been experiencing financial reporting delays for due to changes in 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 not available. The capitation payment/rates changed 10/1/2021; however, Beacon has been unable to project revenues with the rate information provided by MDHHS and Milliman. We recently met with MDHHS and Milliman on 12/10/21 and again on 12/13/21. We believe we have the information needed now to update the FY 2022 Revenue Projections and Beacon staff anticipates having those projections for LRE review on 12/20/21.
-  **CCBHC** – As of this week, we believe we now have the information necessary to project FY22 CCBHC Revenues and also to be able to accurately distribute the CCBHC revenues within our region to our CCBHC partners. We plan to bring a budget amendment to the LRE Board in January for CCBHC related revenue and expenses for the region.
-  **Financial Risk Management Plan** – Our Annual Financial Risk Management 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. We will submit a final plan after the plan is approved by the LRE Board of Directors in December.
-  **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
  - Drafting proposed revisions to ‘Article IV Financial’ of the Operating Agreement and recommending those revisions to the Operating Committee
  - Reviewing LRE Financial policies and procedures

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

Meeting Date: December 16, 2021

**RECOMMENDED MOTION:**

To approve the November 2021 disbursements of \$22,823,809.70 as presented.

**SUMMARY OF REQUEST/INFORMATION:**

<b><u>Disbursements:</u></b>	
Allegan County CMH	\$1,672,912.59
Healthwest	\$3,701,170.15
Network 180	\$11,209,609.36
Ottawa County CMH	\$2,891,442.48
West Michigan CMH	\$1,336,613.24
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	\$161,280.21
<b>Total:</b>	<b>\$22,823,809.70</b>

95.51% 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:** December 16, 2021

**BOARD ACTION REQUEST****Subject : October 2021 Disbursements Revised**

Meeting Date: December 16, 2021

**RECOMMENDED MOTION:**

To approve the October 2021 disbursements of \$14,699,708.42 as presented.

**SUMMARY OF REQUEST/INFORMATION:**

<b><u>Disbursements:</u></b>	
Allegan County CMH	\$1,166,625.00
Healthwest	\$2,481,689.00
Network 180	\$6,684,026.67
Ottawa County CMH	\$1,809,451.48
West Michigan CMH	\$968,521.00
SUD Prevention Expenses	\$111,907.67
Local Match Payment	\$996,595.20
Hospital Reimbursement Adjuster (HRA)	\$0.00
SUD Public Act 2 (PA2)	\$65,873.98
Beacon Health Options	\$0.00
Administrative Expenses	\$415,018.42
<b>Total:</b>	<b>\$14,699,708.42</b>

97.16% 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:** December 16, 2021



# Statement of Activities - Actual vs. Budget

## Fiscal Year 2021/2022

As of Date:10/31/21

	Year Ending 10/31/2021	10/31/2021		
Change in Net Assets	FY22 Budget <i>Initial</i>	Budget to Date	Actual	Actual to Budget Variance
<b>Operating Revenues</b>				
SUD Block Grant & State Opioid	8,484,553	707,046	-	(707,046)
Autism Revenue	45,558,628	3,796,552	3,856,221	59,669
PA 2 Liquor Tax	4,199,550	349,963	-	(349,963)
Interest Revenue	21,476	1,790	5,310	3,520
Performance Bonus Incentive	2,419,516	201,626	-	(201,626)
Local Match Revenue (Members)	2,040,096	170,008	170,008	-
Hospital Rate Adjuster (HRA)	10,377,547	864,796	-	(864,796)
MH Block Grant - Veterans Navigator	100,000	8,333	-	(8,333)
Block Grants - HispBH/NatAm/TobCess/Clubhouse	540,800	45,067	-	(45,067)
Substance Use Gambling, MI Youth Tx &	397,335	33,111	-	(33,111)
DHS Incentive	693,363	57,780	-	(57,780)
Medicaid, HSW, SED, & Children's Waiver	288,842,209	24,070,184	27,239,527	3,169,343
Healthy Michigan	47,083,555	3,923,630	1,022,911	(2,900,719)
CCBHC Supplemental Revenue	0	0	786,874	786,874
<b>Total Operating Revenues</b>	<b>410,758,628</b>	<b>34,229,886</b>	<b>33,080,850</b>	<b>(1,149,036)</b>
<b>Expenditures</b>				
Salaries and Fringes	3,132,587	261,049	149,095	(111,954)
Office and Supplies Expense	259,630	21,636	53,698	32,062
Contractual and Consulting Expenses	490,495	40,875	64,351	23,476
MCIS	305,200	25,433	24,600	(833)
Data Analytics	173,750	14,479	-	(14,479)
Utilities/Conferences/Mileage/Misc Exps	4,357,154	363,096	27,457	(335,640)
Block Grants - Gambl/Veter/HispBH/NatAm/TobCes	1,005,800	83,817	67,782	(16,035)
Taxes, HRA, and Local Match	15,765,596	1,313,800	170,008	(1,143,792)
Prevention Expenses	2,744,632	228,719	44,039	(184,681)
Beacon Health Options - MCO Contract	5,252,384	437,699	-	(437,699)
Contribution to ISF/Savings	27,337,724	2,278,144	-	(2,278,144)
Direct Care Wage Lapse	0	0	-	-
Member Payments	349,933,676	29,161,140	13,872,023	(15,289,117)
<b>Total Expenditures</b>	<b>410,758,628</b>	<b>34,229,886</b>	<b>14,473,051</b>	<b>(19,756,835)</b>
<b>Total Change in Net Assets</b>	<b>0</b>	<b>0</b>	<b>18,607,799</b>	<b>18,607,799</b>



## Statement of Activities Budget to Actual Variance Report

For the Period ending October 31, 2021

As of Date: 10/31/21

### Operating Revenues

SUD Block Grant	Grant revenues not received for October 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.
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 October yet.
Block Grants -HispBH/NatAm/TobCess/Clubhse	Grant revenues not received for October yet.
Sub Use Gambling Prev & MYTIE	Grant revenues not received for October 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 the budget in January.
Healthy Michigan	Will be adjusting the budget in January.
CCBHC Supplemental Revenue	Will be adding a budget in January.

### 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 during amendment 1.
Office and Supplies Expense	Budget amendment will be made during the next amendment.
Contractual & Consulting Expenses	Budget amendment will be made during the next amendment.
MCIS	N/A - Closely aligned with the current budget projections.
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/HispBH/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 October.
Beacon Health Options	It is expected that the final expenses will align with the budget projections.
Contribution to ISF	Not yet recorded for October.
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.