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## Lakeshore Regional Entity Board Financial Officer Report for December 2020

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- ✚ A motion is requested to approve the November 2020 disbursements. A summary of those disbursements is included as an attachment.
- ✚ A Statement of Activities report through October is also included as an attachment.
- ✚ Budget Amendment 1 is being presented today. Revenue and expense projections have been updated based on actuals through November, updated assumptions known to date, and recent PA2 and block grant amendments.
- ✚ A Bucket Report for October 2020 is included as an attachment for today's meeting. Expense projections, as reported by each CMHSPs, are noted. The main comparison for this month is between final expense projections for FY20 and what each CMHSP member is projecting to spend this year (FY21). Overall there appears to be an anticipated increase in spending of \$9.6 million regionally. This report also shows a \$11.8 million variance in revenue projections reported by each member compared to the regional projections. The main variances are in Allegan's revenue projections (approximately \$3.2 million dollars less) and Healthwest's revenue projections (approximately \$6.1 million less).
- ✚ Updated **revenue and membership projections by program and CMHSP** are attached. This incorporates factors seen within our second payment of the fiscal year. In November, we received revenue to support the direct care worker (DCW) increase approved by the state which extends DCW payments through December 2020. We also noted a continual increase in memberships. A summary of our analysis is attached to this report for your review.
- ✚ **SUD Block Grant Budget Cuts** – As reported last month, Michigan Department of Health and Human Services (MDHHS) and the Office of Recovery Oriented Systems of Care (OROSC) alerted all PIHP's of FY21 cuts in SUD Block Grant (BG) of approximately \$20 million. Our region's cut was approximately \$2 million. Earlier this month the Oversight Policy Board approved a request for us to use up to \$2,000,000 in PA2 reserves to help offset this cut. The approved motion is attached for your information. This change is included in today's budget amendment request.
- ✚ **MDHHS Performance Bonus Incentive Program** – At our last meeting we briefly discussed the state's Performance Bonus Incentive Program (PBIP) and a few of the metrics. Additional information was requested on the various metrics and earnings. These details are attached.

### The FY21 Performance Bonus Incentive Program (PBIP)

Established to support program initiatives specified in the MDHHS Medicaid Quality Strategy

The State withholds 0.75% of all Medicaid, Healthy Michigan Plan, Habilitation Supports Waiver (HSW), Children's Waiver (CW), and Serious Emotional Disability Waiver (SEDW) payments for the purpose of establishing a Performance Bonus Incentive Program (PBIP). Distribution of funds from the PBIP is contingent on the PIHP's results from the joint metrics, the narrative report, and the Contractor-only metrics referenced below.

Per contract, the State is to distribute earned funds by April 30 of each year. For FY20, a total of \$2,419,516 was withheld and available to be earned and paid out in FY21.

**Contractor Narrative Reports = 40%** of available earning

**Contractor-only Pay for Performance Measures (chart below) = 30%** of available earning

Measure	Description	Deliverables
P.1. PA 107 of 2013 Sec. 105d (18): Identification of beneficiaries who may be eligible for services through the Veteran's Administration (25 points)	Timely submission of the Veteran Services Navigator (VSN). Data Collection form through DCH File transfer. Improve and maintain data quality on BH-TEDS military and veteran fields. Monitor and analyze data discrepancies between VSN and BHTEDS data.	<ol style="list-style-type: none"> <li>1. The measurement period for the VSN Data Collection form will be the current fiscal year. The VSN Data Collection form will be submitted to BHDDA by the last day of the month following the end of each quarter.</li> <li>2. The measurement period for the BH-Teds data quality monitoring will be October 1, 2020 through March 31, 2021. Plans will be expected to compare the total number of individual veterans reported on BHTEDS and the VSN, as</li> </ol>
		well as conduct an individual-level comparison. By June 1, 2021, Plans will submit a 1-2 page narrative report on findings and any actions taken to improve data quality.
P.2. PA 107 of 2013 Sec. 105d (18): Increased data sharing with other providers (25 points)	Send ADT messages for purposes of care coordination through health information exchange.	At least one CMHSP within a Contractor's service area, or the Contractor, will be submitting ADT messages on a daily basis by the end of FY21. By July 31, the Contractor must submit, to BHDDA, a report no longer than two pages listing CMHSPs sending ADT messages, and barriers for those who are not, along with remediation efforts and plans.
P.3. Initiation and Engagement of Alcohol and Other Drug Dependence Treatment (IET)	<p>The percentage of adolescents and adults with a new episode of alcohol or other drug (AOD) abuse or dependence who received the following:</p> <ul style="list-style-type: none"> <li>-Initiation of AOD Treatment: The percentage of beneficiaries who initiate treatment within 14 calendar days of the diagnosis.</li> <li>-Engagement of AOD Treatment: The percentage of beneficiaries who initiated treatment and who had two or more additional AOD services or MAT within 34 calendar days of the initiation visit.</li> </ul>	<p>This measure will be informational only. Measurement period will be January 1-December 31, 2020.</p> <p>PIHPs will be expected to reduce racial/ethnic disparities in measure rates.</p>
P.4. PA 107 of 2013 Sec. 105d (18): Increased participation in patient-centered medical homes (50 points)	<p>Narrative report summarizing participation in patient-centered medical homes (or characteristics thereof). Points for Narrative Reports will be awarded on a pass/fail basis, with full credit awarded for submitted narrative reports, without regard to the substantive information provided. MDHHS will provide consultation draft review response to PIHPs by January 15th. PIHPs will have until January 31st to reply to MDHHS with information.</p>	<p>Plans will submit a narrative report of no more than 10 pages by November 15<sup>th</sup> summarizing prior FY efforts, activities, and achievements of the PIHP (and component CMHSPs if applicable) to increase participation in patient-centered medical homes. The specific information to be addressed in the narrative is below:</p> <ol style="list-style-type: none"> <li>1. Comprehensive Care</li> <li>2. Patient-Centered</li> <li>3. Coordinated Care</li> <li>4. Accessible Services</li> <li>5. Quality &amp; Safety</li> </ol>

**MHP/Contractor Joint Metrics (chart below) = 30% of available earning**

To ensure collaboration and integration between Medicaid Health Plans (MHPs) and the Contractor, the State has developed the following joint expectations for both entities.

There are 100 points possible for this initiative. The reporting process for these metrics is identified in the grid below.

Category	Description	Criteria/Deliverables
J.1. Implementation of Joint Care Management Processes (35 points)	Collaboration between entities for the ongoing coordination and integration of services	Each MHP and Contractor will continue to document joint care plans in CC360 for members with appropriate severity/risk who have been identified as receiving services from both entities. The risk stratification criteria are determined in writing by the Contractor-MHP Collaboration Workgroup in consultation with the State. The State will quarterly select beneficiaries randomly and review their care plans within CC360. Measurement period October 1 through September 30.
J.2. Follow-up After Hospitalization for Mental Illness within 30 Days (FUH) using HEDIS descriptions or mutually agreed modifications thereto. (40 points)	The percentage of discharges for members six years of age and older who were hospitalized for treatment of selected mental illness diagnoses and who had an outpatient visit, an intensive outpatient encounter or partial hospitalization with mental health practitioner within 30 Days.	<p>1. Plans will meet set standards for follow-up within 30 Days for each rate (ages 6-17 and ages 18 and older). Plans will be measured against an adult minimum standard of 58% and a child minimum standard of 70%. See MDHHS BHDDA reporting requirement website for measure specifications, at <a href="https://www.michigan.gov/mdhhs/0,5885,7-339-71550_2941_38765---,00.html">https://www.michigan.gov/mdhhs/0,5885,7-339-71550_2941_38765---,00.html</a></p> <p>2. Data will be stratified by race/ethnicity. Plans will be incentivized to reduce the disparity between the index population and at least one minority group.</p> <p>• Measurement period will be a comparison of the calendar year July 1 - June 30.</p>
J.3. Follow-Up After Emergency Department Visit for Alcohol and Other Drug Dependence (FUA) using HEDIS descriptions or mutually agreed modifications thereto. (25 points)	Members 13 years and older with an Emergency Department (ED) visit for alcohol and other drug dependence that had a follow-up visit within 30 days.	<p>Data will be stratified by race/ethnicity. Plans will be incentivized to reduce the disparity between the index population and at least one minority group.</p> <p>• Measurement period will be a comparison of the calendar year July 1 - June 30.</p>

**Lakeshore Regional Entity's Performance Bonus Award Scoring for FY19 is below.**

This is based on the PIHP's FY2019 performance bonus, as outlined in the FY19 contract section 8.4.2. Scoring is based on PIHP/MHP Joint Metrics and PIHP-only deliverables. Your PIHP has earned partial points, as detailed below.

<b>FY19 Total .75 Performance Bonus Incentive</b>		
	<b>Total \$ Available (.75 withhold)</b>	<b>Total Withhold Unearned</b>
LRE	\$ 2,065,552.60	\$154,916.45

**PIHP/MHP Joint Metrics**

Joint metrics with the MHPs included 1) FUH measure performance, 2) implementation of joint care management processes, and 3) PCR and FUA data validation narratives. The final Follow-up after Hospitalization for Mental Illness within 30 Days (FUH) measure rates for the 7/1/18-6/30/19 measurement period were posted in CC360 on 12/20/2018. Points earned out of 50 total points available are displayed in the table below.

<b>Follow-up after Hospitalization for Mental Illness within 30 days Scoring (50 points)</b>								
	Scored 6-20 Combos	Scored 6-20 Combos Meeting Standard	Scored 21-65 Combos	Scored 21-65 Combos Meeting Standard	Total Scored Combos	Points per Combo	Total Combos Meeting Standard	Score (maximum = 50)
LRE	3	2	6	2	9	5.56	4	22

Quarterly, beneficiaries for whom CC360 joint care plans have been developed are randomly selected for review by MDHHS staff. This review is used to score the implementation of joint care management processes portion of the performance bonus. During FY19, MHPs and PIHPs were also required to validate PCR and FUA measure data and submit narrative reports. Points earned out of 50 total points available are displayed in the table below.

<b>Joint Care Management Processes, PCR and FUA Narrative Scoring (50 points)</b>				
	Joint care mgmt processes Yes = 35, No = 0	PCR Narrative Yes = 10, No = 0	FUA Narrative Yes = 5, No = 0	Score (maximum = 50)
LRE	35	10	5	50

These results are represented below in dollar amounts for the 7/1/18-6/30/19 measurement period.

<b>PIHP Joint MHP Metric Score (100 points)</b>				
	Score	Score Converted to Percentage	Joint Metric Total \$ Available	Joint Metric Earned
LRE	72	72%	\$557,699.20	\$402,782.76

### **PIHP-only deliverables**

PIHP-only deliverables included the following narratives 1) patient-centered medical homes, 2) identification of enrollees who may be eligible for services through the Veteran's Administration, and 3) Diabetes Screening for People with Schizophrenia or Bipolar Disorder who are using Antipsychotic Meds (SSD-AD). Points earned along with dollar amounts are displayed in the table below.

<b>PIHP-only Narrative Score (100 points)</b>							
	Patient Centered Medical Home Participation Yes = 46, No = 0	Veterans' Needs and Services Yes = 46, No = 0	SSDAD Narrative Yes = 8, No = 0	Score	Score Converted to Percentage	Total Narrative \$ Available	Narrative \$ Earned
LRE	46	46	8	100.00	100%	\$1,507,853.40	\$1,507,853.40

# Revenue Projection

## Total LRE

	Prior Projection	Current Projection	Change
MCD - MH	\$ 204,535,475	\$ 206,950,410	\$ 2,414,936
MCD - SUD	\$ 7,549,657	\$ 7,602,653	\$ 52,997
HMP - MH	\$ 24,872,269	\$ 25,242,835	\$ 370,566
HMP - SUD	\$ 14,059,015	\$ 14,324,340	\$ 265,325
Autism	\$ 40,055,147	\$ 40,405,032	\$ 349,885
Waiver	\$ 36,257,451	\$ 34,827,812	\$ (1,429,639)
LRE / Beacon Admin	\$ 13,504,795	\$ 13,427,596	\$ (77,199)
ISF	\$ 2,604,763	\$ 2,619,807	\$ 15,044
Perf. Bonus (Region)	\$ 2,317,922	\$ 2,344,306	\$ 26,384
Timely Filing (Region)	\$ 1,545,282	\$ 1,562,871	\$ 17,589
IPA	\$ 3,972,974	\$ 3,985,340	\$ 12,367
<b>Total Region</b>	<b>\$ 351,274,750</b>	<b>\$ 353,293,003</b>	<b>\$ 2,018,253</b>

## Total CMHSPs

	Prior Projection	Current Projection	Change
Allegan	\$ 29,778,070	\$ 29,799,045	\$ 20,974
Healthwest	\$ 62,968,590	\$ 63,168,127	\$ 199,537
Network180	\$ 167,963,195	\$ 169,352,863	\$ 1,389,668
Ottawa	\$ 44,292,443	\$ 44,542,415	\$ 249,972
West Michigan	\$ 22,326,715	\$ 22,490,633	\$ 163,918
<b>Total CMHSPs</b>	<b>\$ 327,329,014</b>	<b>\$ 329,353,083</b>	<b>\$ 2,024,069</b>

	Prior Projection	Current Projection	Change
Allegan	\$ 108.01	\$ 107.70	\$ (0.31)
Healthwest	\$ 95.93	\$ 95.99	\$ 0.06
Network180	\$ 99.00	\$ 99.52	\$ 0.52
Ottawa	\$ 97.61	\$ 97.87	\$ 0.26
West Michigan	\$ 94.35	\$ 94.68	\$ 0.33
<b>Total CMHSPs</b>	<b>\$ 98.62</b>	<b>\$ 98.93</b>	<b>\$ 0.31</b>

## Member Month Projection

	Prior Projection	Current Projection	Change
Allegan	275,694	276,676	982
Healthwest	656,411	658,061	1,649
Network180	1,696,667	1,701,724	5,058
Ottawa	453,778	455,139	1,361
West Michigan	236,634	237,539	905
<b>Total Member Months</b>	<b>3,319,183</b>	<b>3,329,139</b>	<b>9,956</b>

## CMHSPs Breakdown

	Prior Projection	Current Projection	Change
<b>MCD - MH</b>			
Allegan	\$ 18,125,943	\$ 18,327,257	\$ 201,314
Healthwest	\$ 42,126,593	\$ 42,652,339	\$ 525,745
Network180	\$ 102,217,577	\$ 103,348,888	\$ 1,131,311
Ottawa	\$ 27,057,372	\$ 27,384,393	\$ 327,021
West Michigan	\$ 15,007,990	\$ 15,237,534	\$ 229,544
<b>Total MCD - MH</b>	<b>\$ 204,535,475</b>	<b>\$ 206,950,410</b>	<b>\$ 2,414,936</b>

<b>MCD - SUD</b>			
Allegan	\$ 615,158	\$ 619,843	\$ 4,685
Healthwest	\$ 1,668,962	\$ 1,679,768	\$ 10,806
Network180	\$ 3,797,037	\$ 3,822,863	\$ 25,826
Ottawa	\$ 878,149	\$ 885,276	\$ 7,127
West Michigan	\$ 590,350	\$ 594,903	\$ 4,553
<b>Total MCD - SUD</b>	<b>\$ 7,549,657</b>	<b>\$ 7,602,653</b>	<b>\$ 52,997</b>

<b>HMP - MH</b>			
Allegan	\$ 1,891,207	\$ 1,923,108	\$ 31,901
Healthwest	\$ 5,238,164	\$ 5,313,478	\$ 75,314
Network180	\$ 12,555,791	\$ 12,738,465	\$ 182,674
Ottawa	\$ 3,319,430	\$ 3,370,425	\$ 50,995
West Michigan	\$ 1,867,677	\$ 1,897,359	\$ 29,682
<b>Total HMP - MH</b>	<b>\$ 24,872,269</b>	<b>\$ 25,242,835</b>	<b>\$ 370,566</b>

<b>HMP - SUD</b>			
Allegan	\$ 1,057,023	\$ 1,079,282	\$ 22,259
Healthwest	\$ 3,034,268	\$ 3,089,879	\$ 55,611
Network180	\$ 7,096,814	\$ 7,228,876	\$ 132,062
Ottawa	\$ 1,806,153	\$ 1,841,241	\$ 35,088
West Michigan	\$ 1,064,756	\$ 1,085,060	\$ 20,304
<b>Total HMP - SUD</b>	<b>\$ 14,059,015</b>	<b>\$ 14,324,340</b>	<b>\$ 265,325</b>

<b>Autism</b>			
Allegan	\$ 3,320,572	\$ 3,349,577	\$ 29,005
Healthwest	\$ 2,675,684	\$ 2,699,056	\$ 23,372
Network180	\$ 26,941,092	\$ 27,176,424	\$ 235,332
Ottawa	\$ 5,952,195	\$ 6,004,188	\$ 51,993
West Michigan	\$ 1,165,605	\$ 1,175,786	\$ 10,182
<b>Total Autism</b>	<b>\$ 40,055,147</b>	<b>\$ 40,405,032</b>	<b>\$ 349,885</b>

<b>Waiver</b>			
Allegan	\$ 4,768,167	\$ 4,499,977	\$ (268,190)
Healthwest	\$ 8,224,919	\$ 7,733,607	\$ (491,312)
Network180	\$ 15,354,883	\$ 15,037,346	\$ (317,538)
Ottawa	\$ 5,279,144	\$ 5,056,892	\$ (222,252)
West Michigan	\$ 2,630,337	\$ 2,499,991	\$ (130,347)
<b>Total Waiver</b>	<b>\$ 36,257,451</b>	<b>\$ 34,827,812</b>	<b>\$ (1,429,639)</b>





## OVERSIGHT POLICY BOARD

### ACTION REQUEST

**SUBJECT:** RESERVE PA2 FUNDS DISTRIBUTION FOR FY 2021  
**PREPARED BY:** Maxine Coleman, LRE Interim Chief Financial Officer  
**MEETING DATE:** December 2, 2020

### RECOMMENDED MOTION:

The Oversight Policy Board recommends PA2 Reserve Funds Distribution by county as follows to help offset amounts up to \$2,000,000 in FY21 SUD Block Grant cuts from Michigan Department of Health and Human Services:

COUNTY	FY 2021
Allegan	\$177,800
Kent	\$990,400
Lake	\$37,555
Mason	\$87,222
Muskegon	\$354,600
Oceana	\$18,623
Ottawa	\$333,800
<b>Regional Total</b>	<b>\$2,000,000</b>

### SUMMARY OF REQUEST/INFORMATION:

Public Act 500 of 2012 requires each PIHP region to establish an Oversight Policy Board with certain roles and responsibilities relative to substance abuse services.

Among other functions, the Oversight Policy Board is responsible to approve budgets which contain local funds and to advise budgets which contain non-local funds for services within the region.

#### LRE Policy 12.4 states:

*PA2 funds are managed by the LRE; the amount of funding available to each County of Region 3 PIHP (LRE) will be determined by the LRE Finance team and reported to the Oversight Policy Board (OPB). PA2 funds may only be used in the County of Origin and strictly for SUD prevention and treatment; no funds can be used for administrative costs.*

*It is the policy of the Lakeshore Regional Entity (LRE) to periodically distribute reserved PA2 funds to impact regional needs through programming in the area of Substance Use Disorders.*

**Due to a cut in SUD block grant dollars for FY 2021, the LRE is requesting the use of PA2 reserve funds up to \$2,000,000 to help offset the burden these cuts will have on SUD services.**

**STAFF:** Stephanie VanDerKooi, SUD Director

**DATE:** December 2, 2020