



Lakeshore Regional Entity Board Financial Officer Report for February 2020

- ✚ A motion is requested to approve the January 2020 disbursements. A summary of those disbursements is included as an attachment.

- ✚ A Statement of Activities report through December 2019 is also included as an attachment.

- ✚ Budget Amendment 1 is being presented today. Revenue and expense projections have been updated based on actuals through January and updated assumptions known to date.

- ✚ **Regional Projections** - A Bucket Report for December 2019 is included as an attachment for today's meeting. When compared to November's report, the projected deficit for the region is up by \$912,166, from \$8,613,637 to \$9,525,803 for Medicaid and Healthy Michigan Plan (HMP). Variance explanations by member have been incorporated into the bucket report.

- ✚ **MDHHS Management Decision for FY18 Audit** – Last month we reported receiving a management decision letter from MDHHS regarding our FY18 audit. This letter included a finding due to the LRE's inability to cover \$11,648,434 of the \$15,148,434 local risk for FY18. At the advice of corporate counsel, the LRE submitted a request to the MDHHS Appeals Section for an internal conference to dispute items within the MDHHS letter.

- ✚ **FY2019 Performance Bonus Award** – Each year PIHPs can earn dollars that are withheld by MDHHS from their capitation payments if they comply and meet specific metrics surrounding coordination efforts with health plans. The LRE received preliminary notice that its performance bonus award for the FY19 period is estimated to be \$2,065,552.60. Final award notices are expected by February 28.

- ✚ **PIHP FY20 Rate Setting** – PIHPs across the state are still reporting significant discrepancies in their FY20 revenues. The LRE's most significant variances are still within the HSW, SED, and Children's Waiver programs. There are positive movements and active steps being taken by the state to understand and fix the problems. We have also received some retro payments from the first quarter and are anticipating more this month. MDHHS has scheduled a meeting with PIHPs next month to discuss this issue. A template for PIHPs to provide examples of missing payments for MDHHS to review was also published this month. We will keep you posted as things progress.

- ✚ **NEW Regional Revenue Allocation Model** – Milliman (Wisconsin) is planning an onsite visit to present the regional model and the methodology upon which it is based to the CMHSPs, Beacon, and the LRE. The goal of this meeting is to establish a level of comfort and understanding of the model, provide some illustrative scenarios, and to help answer questions. Decisions are yet to be made regarding full implementation, partial, and/or potentially delaying the implementation.