

Lakeshore Regional Entity Board Financial Officer Report for April 2021

- ✚ A motion is requested to approve the March 2021 disbursements. A summary of those disbursements is included as an attachment.
- ✚ A Statement of Activities report through February is also included as an attachment.
- ✚ A Bucket Report for February 2021 is included as an attachment for today's meeting. Expense projections, as reported by each CMHSP, are noted. COVID has continued to impact spending, service demand, and staffing. An approximate surplus of \$45.3 million regionally is shown on this month's report. This is down from \$53.8 million last month and includes the updated revenue projections reported below. We have also incorporated an estimate of how much DCW dollars we project to lapse. However, please note these are preliminary estimates. New DCW rates and revenues for the March-September period will be in our capitation payment for this month. In addition, spending plan amendments from each CMHSP will be received and reviewed this month which will then feed into updated expense projections for the region.
- ✚ **Final FY20 Reporting** – A significant amount of time has been spent reviewing and preparing year end reports for FY20. Financial reports received to date show the region will close the year with an approximate \$10.1 million surplus, \$2.4 million in our ISF fund and \$2.3 million from our FY20 performance bonus earnings. Extension work has been done again this year to ensure our data is aligned with reported costs. Bridging any gaps between these two areas enables MDHHS and its actuary to see the level, intensity of services, and costs to serve our consumers. It is critical that we continue to improve our efforts in this area in hopes of seeing revenues during the next rate setting process that are closer aligned with what it costs to provide the services required.
- ✚ **Annual Financial Audit and Reports** – MDHHS recently extended its year-end financial reporting due dates for several items. To allow sufficient time to submit those reports and incorporate them into our financial audit, the LRE requested an extension to submit its audit to the Department of Treasury. We received approval to submit our audit by April 30 instead of March 31. Copies of our financial and compliance exam audits are then due to MDHHS by June 30.

- ✚ **Updated revenue and membership projections by program and CMHSP** are attached. This month's projection includes an overall increase of approximately \$2.8 million. We have extended the current membership levels for the month of April and are using 85-95% of the current level for the remainder of the fiscal year. Our report also reflects regional shifts to move our ISF/Savings fund toward the amount approved in March.

- ✚ **FY22 Rate Setting Meeting** – On March 29 the PIHPs met with MDHHS and Milliman to discuss their plans for establishing FY22 rates. Most of the baseline data adjustments will remain the same as they were in FY20. Due to COVID and the impact it had on FY20 services and data, FY19 data will be used again as a baseline and fiscal years 2021 and 2022 will be used to analyze and make adjustments for any emerging trends in enrollments, autism services, and previously made program changes (i.e. Waiver service changes, DOC, SUD assessments, etc.).

In addition, during the meeting, an issue with the FY20 autism rates was brought to our attention. Milliman did not use the new autism fee schedule that took effect 1/1/2019 when building their risk adjustment factors for FY20. As a result, they will be updating our FY20 rates this month (April) to account for this change. The chart they displayed during the rate setting meeting showed the LRE would benefit the most among PIHPs from this change. We expect to see a significant increase for this change and will determine the impact and build it into our revenue projections next month.

Revenue Projection

Total LRE			
	Prior Projection	Current Projection	Change
MCD - MH	\$ 213,419,701	\$ 205,149,802	\$ (8,269,898)
MCD - SUD	\$ 7,930,038	\$ 7,823,796	\$ (106,242)
HMP - MH	\$ 27,736,552	\$ 28,976,794	\$ 1,240,242
HMP - SUD	\$ 15,811,128	\$ 16,688,108	\$ 876,980
Autism	\$ 41,545,513	\$ 40,101,158	\$ (1,444,355)
Waiver	\$ 37,172,478	\$ 37,751,626	\$ 579,148
LRE / Beacon Admin	\$ 13,630,373	\$ 13,761,288	\$ 130,915
ISF	\$ 2,699,590	\$ 12,471,588	\$ 9,771,998
Perf. Bonus (Region)	\$ -	\$ -	\$ -
Timely Filing (Region)	\$ -	\$ -	\$ -
IPA	\$ 4,126,364	\$ 4,236,672	\$ 110,308
Total Region	\$ 364,071,737	\$ 366,960,833	\$ 2,889,096

Total CMHSPs			
	Prior Projection	Current Projection	Change
Allegan	\$ 31,043,764	\$ 30,345,414	\$ (698,350)
Healthwest	\$ 65,920,308	\$ 64,687,122	\$ (1,233,186)
Network180	\$ 176,669,648	\$ 172,671,526	\$ (3,998,122)
Ottawa	\$ 46,591,718	\$ 45,914,512	\$ (677,206)
West Michigan	\$ 23,389,972	\$ 22,872,711	\$ (517,261)
Total CMHSPs	\$ 343,615,410	\$ 336,491,284	\$ (7,124,126)

	Prior Projection	Current Projection	Change
Allegan	\$ 108.42	\$ 103.31	\$ (5.11)
Healthwest	\$ 97.09	\$ 93.04	\$ (4.05)
Network180	\$ 100.25	\$ 95.48	\$ (4.78)
Ottawa	\$ 97.98	\$ 93.02	\$ (4.96)
West Michigan	\$ 95.97	\$ 92.25	\$ (3.72)
Total CMHSPs	\$ 99.69	\$ 95.08	\$ (4.61)

Member Month Projection			
	Prior Projection	Current Projection	Change
Allegan	286,324	293,718	7,394
Healthwest	678,933	695,236	16,302
Network180	1,762,235	1,808,547	46,312
Ottawa	475,543	493,621	18,077
West Michigan	243,726	247,936	4,210
Total Member Months	3,446,762	3,539,057	92,296

CMHSPs Breakdown			
	Prior Projection	Current Projection	Change
MCD - MH			
Allegan	\$ 18,904,601	\$ 18,170,687	\$ (733,915)
Healthwest	\$ 43,974,958	\$ 42,263,775	\$ (1,711,183)
Network180	\$ 106,559,622	\$ 102,347,338	\$ (4,212,284)
Ottawa	\$ 28,283,127	\$ 27,273,721	\$ (1,009,406)
West Michigan	\$ 15,697,393	\$ 15,094,282	\$ (603,111)
Total MCD - MH	\$ 213,419,701	\$ 205,149,802	\$ (8,269,898)

MCD - SUD			
Allegan	\$ 648,220	\$ 641,513	\$ (6,707)
Healthwest	\$ 1,741,665	\$ 1,704,852	\$ (36,813)
Network180	\$ 3,985,855	\$ 3,928,610	\$ (57,245)
Ottawa	\$ 937,419	\$ 946,069	\$ 8,650
West Michigan	\$ 616,878	\$ 602,752	\$ (14,127)
Total MCD - SUD	\$ 7,930,038	\$ 7,823,796	\$ (106,242)

HMP - MH			
Allegan	\$ 2,119,020	\$ 2,219,466	\$ 100,445
Healthwest	\$ 5,774,258	\$ 5,981,237	\$ 206,979
Network180	\$ 14,041,397	\$ 14,704,273	\$ 662,876
Ottawa	\$ 3,760,441	\$ 3,978,778	\$ 218,337
West Michigan	\$ 2,041,436	\$ 2,093,040	\$ 51,604
Total HMP - MH	\$ 27,736,552	\$ 28,976,794	\$ 1,240,242

HMP - SUD			
Allegan	\$ 1,194,240	\$ 1,263,505	\$ 69,265
Healthwest	\$ 3,376,460	\$ 3,532,427	\$ 155,967
Network180	\$ 8,007,710	\$ 8,476,400	\$ 468,690
Ottawa	\$ 2,059,907	\$ 2,203,480	\$ 143,573
West Michigan	\$ 1,172,811	\$ 1,212,296	\$ 39,485
Total HMP - SUD	\$ 15,811,128	\$ 16,688,108	\$ 876,980

Autism			
Allegan	\$ 3,444,123	\$ 3,324,386	\$ (119,737)
Healthwest	\$ 2,775,240	\$ 2,678,757	\$ (96,483)
Network180	\$ 27,943,512	\$ 26,972,039	\$ (971,473)
Ottawa	\$ 6,173,663	\$ 5,959,032	\$ (214,631)
West Michigan	\$ 1,208,974	\$ 1,166,944	\$ (42,031)
Total Autism	\$ 41,545,513	\$ 40,101,158	\$ (1,444,355)

Waiver			
Allegan	\$ 4,733,560	\$ 4,725,857	\$ (7,702)
Healthwest	\$ 8,277,727	\$ 8,526,074	\$ 248,347
Network180	\$ 16,131,552	\$ 16,242,865	\$ 111,313
Ottawa	\$ 5,377,160	\$ 5,553,432	\$ 176,272
West Michigan	\$ 2,652,480	\$ 2,703,397	\$ 50,917
Total Waiver	\$ 37,172,478	\$ 37,751,626	\$ 579,148