



Mission: To promote hope, recovery, resilience, quality of life and wellness in Washtenaw County by providing high quality, integrated services to eligible individuals.

**WASHTENAW COUNTY COMMUNITY MENTAL HEALTH (WCCMH)
BUDGET-FINANCE COMMITTEE MEETING AGENDA**

4135 Washtenaw Ave, Ann Arbor, MI

Learning Resource Center, Michigan Conference Room

May 13, 2019

2:00PM-3:00PM

- I. Introductions (5 minutes)
- II. Audience Participation (see guidelines below) (5 minutes)
- III. Budget/Finance Committee minutes (5 minutes)
 - Budget-Finance Committee meeting minutes from 4/8/19 (Attachment #1) **ACTION**
- IV. Finance Status Reports (10 minutes)
 - Financial Report (Attachment #2) **ACTION**
- V. Contracts and Leases (5 minutes)
 - Contracts and Leases (Attachment #3) **ACTION**
 - Executive Director Authorizations (Attachment #3A) **ACTION**
- VI. Regional Finance Update (10 minutes)
 - FY2020 Rate Development Update
- VII. Old Business (5 minutes)
 - FY2018 Year-End Audits Update
- VIII. New Business (10 minutes)
 - CCBHC-Millage Advisory Committee (MAC) Finance Discussion
 - FY2019 Projections (Attachment #4)
- IX. Items for Future Discussions (5 minutes)
 - Future grants process
- X. Adjournment

Audience Participation Guidelines:

- Three (3) minutes are allowed per speaker
- Speakers are asked to bring a copy of their concerns/comments in writing
- Resolutions on issues will be brought to the appropriate committee as necessary

**WASHTENAW COUNTY COMMUNITY MENTAL HEALTH AGENCY (WCCMH)
WCCMH BUDGET-FINANCE COMMITTEE MEETING MINUTES DRAFT
4135 Washtenaw Ave, Ann Arbor, MI
Learning Resource Center, Michigan Conference Room
April 8, 2019 2:00 pm**

MEMBERS PRESENT: C. Collins, D. Strong, A. Dusbiber (phone)

MEMBERS ABSENT: None

STAFF PRESENT: M. Harding, R. Dornbos, N. Phelps, K. Bellus, L. Gentz, H. Linky,
M. Tasker, T. Florence

OTHERS PRESENT: J. Martin, N. Grabner, G. Nelson, K. Scott, R. Jefferson, G. Dill,
L. Lutomski, K. Homan

C. Collins called the meeting to order at 3:01 pm.

I. Introductions

- None

II. Audience Participation

- C. Collins introduced K. Scott who will be joining the Budget-Finance Committee. She will be officially appointed on this committee at the April 19, 2019 WCCMH Board meeting.
- J. Martin introduced B. King who will be joining the WCCMH Board and will fill the Member At Large position on the WCCMH Board. He has agreed to join the Budget-Finance Committee and will be officially appointed on this committee at the April 19, 2019 WCCMH Board meeting
- C. Collins introduced R. Jefferson who will be joining the WCCMH Board as the Board of Commissioner Representative.
- G. Nelson (co-chair from the Citizens for Mental Health & Public Safety) distributed a copy of his email to the Ann Arbor City Council requesting they override Mayor Taylor's veto of Resolution 19-0581, Enactment No: R-19-37.

III. Budget-Finance Committee Minutes and Actions from 1/14/19

- Budget-Finance Committee Minutes and Actions of 1/14/19 were reviewed.

MOTION BY D. STRONG SUPPORTED BY A. DUSBIBER TO APPROVE THE MINUTES AND ACTIONS FROM THE JANUARY 14, 2019 BUDGET-FINANCE COMMITTEE MEETING.

MOTION CARRIED

- Budget-Finance and Program-Quality combined quarterly committee meeting minutes from 3/11/19 were reviewed.

MOTION BY D. STRONG SUPPORTED BY A. DUSBIBER TO APPROVE THE MINUTES AND ACTIONS FROM THE MARCH 11, 2019 BUDGET-FINANCE AND PROGRAM-QUALITY QUARTERLY COMMITTEE MEETING.

MOTION CARRIED

IV. Finance Status Reports

- N. Phelps reviewed the financial status report for the month ending February 28, 2019.
- Medicaid Enrollees were 33,884 in February 2019.
- Healthy Michigan Enrollees in February 2019 were 16,894.
- Medicaid consumers served through February 2019 are 3,216. This is 181 more consumers served than the same period last year.
- ABA Waiver consumers served through February 2019 were 151. This is 25 more consumers served than the same period last year.
- General Fund consumers served through February 2019 are 588. This is 35 more consumer served than the same period last year.
- Healthy Michigan consumers served through February 2019 are 737. This is 8 more consumers served than the same period last year.
- CLS costs to date are \$10.7 Million. This is \$285,000 under budget.
- Community Inpatient costs to date total \$2.4 Million. This is \$236,000 over budget.
- Licensed Residential costs to date are \$4.5 Million. This is \$202,000 under budget.
- Applied Behavior Analysis/Autism service costs to date are \$1.3 Million. This is \$205,000 over budget.
- Medicaid, Healthy Michigan and Autism funds are on budget.
- Financial performance by funding source:
 - Medicaid is showing a deficit of \$3.0 Million.
 - Healthy Michigan is showing a deficit of \$1.6 Million.
 - State General Funds is showing a deficit of \$169,000.
 - Local Funds are showing a surplus of \$299,000 through February 2019.
- The Fund Balance at the beginning of FY2018 was \$2.7 Million. The Fund Balance is unknown at this time due to unexpected end of year transactions. An update will be provided when available.
- N. Phelps mentioned that the budget amendment that will be presented to the BOC will have to be firm by 9/30/19.
- BOC will also need to approve the CCBHC funding.
- Request to develop a new process for any future grants that need to be turned around quickly that will involve the County and the WCCMH.
- D. Strong mentioned that it would be a shame to not receive the CCBHC Grant funding.

- D. Strong requested a Task Force update would be appropriate to bring forward at a future meeting that would also include the revenue strings.

MOTION BY A.DUSBIBER SUPPORTED BY D. STRONG TO APPROVE THE FINANCIAL STATUS REPORT FOR THE MONTH ENDING FEBRUARY 28, 2019.

MOTION CARRIED

V. Contracts and Leases

- CBI Rehabilitation Services.
 - This contract is to provide licensed residential services for the period of April 1, 2019 – September 30, 2019.
- Washtenaw County Health Department
 - This contract is to provide a community wide anti-stigma marketing campaign for the period of May 1, 2019 – February 28, 2021.

MOTION BY D. STRONG SUPPORTED BY A. DUSBIBER TO APPROVE THE CONTRACTS AND LEASES AS PRESENTED.

MOTION CARRIED

VI. Executive Director Contract Authorizations

- Washtenaw Alliance for Children & Youth (WACY)
 - This contract is to allow WCCMH to become a participating member of a leadership team that supports high school graduation rates.
 - This is for a period of July 1, 2018 – June 30, 2019.

MOTION BY D. STRONG SUPPORTED BY A. DUSBIBER TO APPROVE THE EXECUTIVE DIRECTOR CONTRACT AUTHORIZATIONS AS PRESENTED

MOTION CARRIED

VII. Regional Finance Update

- N. Phelps distributed the PIHP financial information to the committee.
- The direct care worker wage pass through of 25 cents per hour went into effect on April 1, 2019 and these amounts will affect the WCCMH budget.
- An amendment from the PIHP will be submitted once the additional revenue shows up from the State for the direct care wage increase.

VIII. Old Business

- None

IX. New Business

- C. Collins stated that the WCCMH Board will be assembling an advisory committee for the CCBHC/Millage/CARES that will meet quarterly to address funding sources.

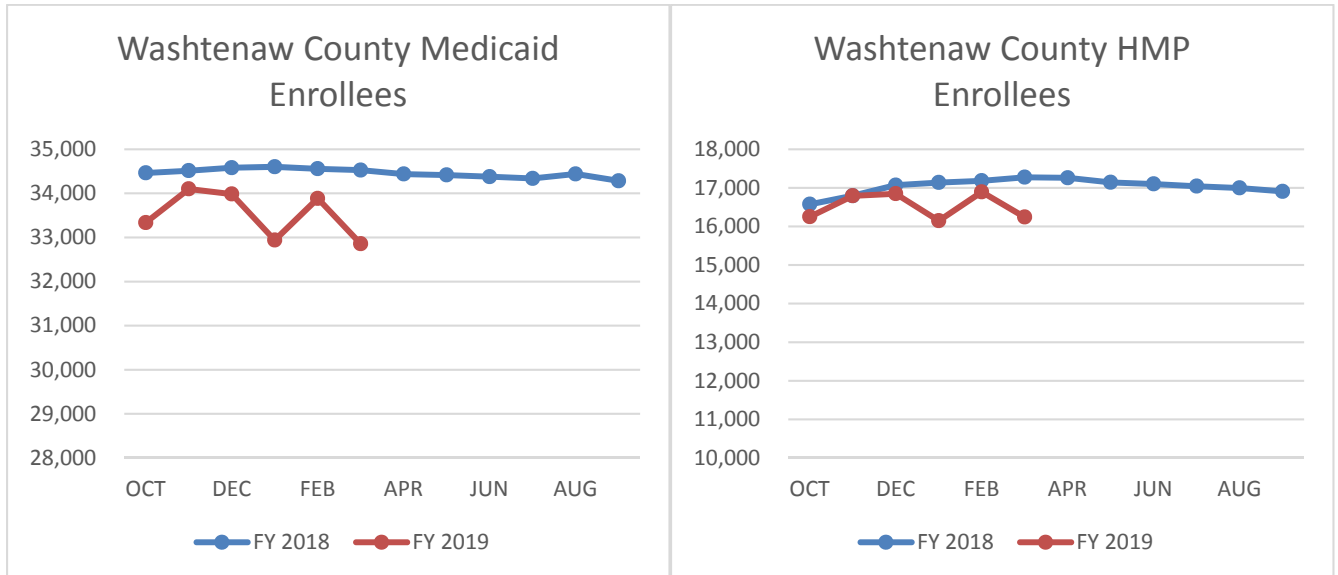
- N. Phelps mentioned that the CCBHC and the Millage/CARES will be working on a calendar year, so their financial reports will reflect finances from January 1-December 31.
- X. Items for Future Discussions
- Budget Task Force Update
 - Solutions for on-going expense challenges
- XI. Meeting adjourned at 3:00 pm.

DRAFT

**WASHTENAW COUNTY COMMUNITY MENTAL HEALTH
YEAR-TO-DATE FINANCIAL STATUS
FISCAL YEAR 2019: For the period ending March 31, 2019
Prepared: May 5, 2019**

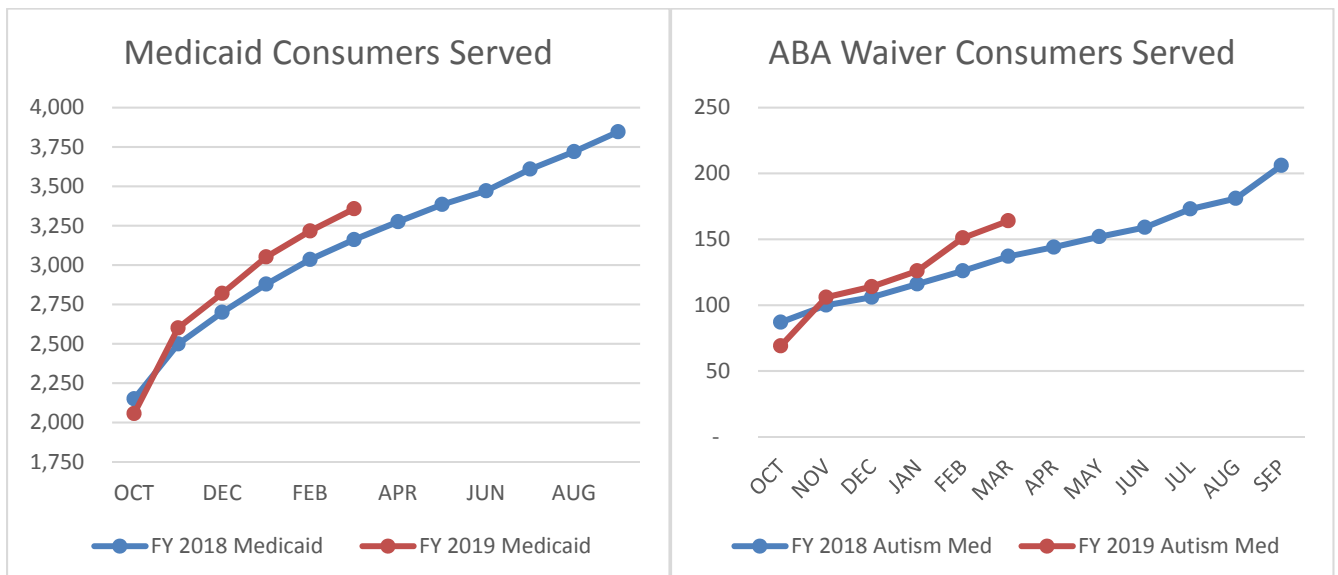
1. Washtenaw County Enrollees

A summary of FY 2019 Washtenaw County Medicaid and Healthy Michigan Enrollees is shown below:



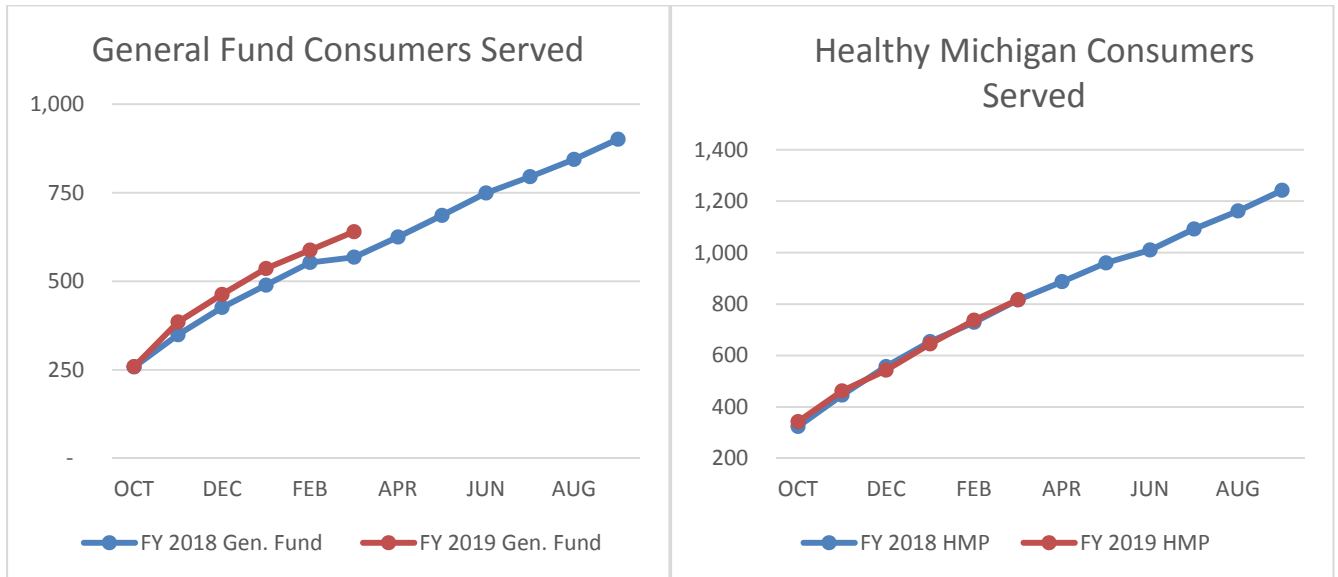
Washtenaw County Medicaid Enrollees were 32,856 in March 2019. This is a 4.84% decrease from the same time last year (1,671 less enrollees than in March 2018). Healthy Michigan enrollment in March was 16,242. This is a 5.97% decrease from the same time last year (1,032 less enrollees than in March 2018).

2. WCCMH Consumers Served to Date



Medicaid consumers served through March 2019 are 3,357. This is 196 more consumers than the prior year (3,161 consumers were served through March 2018).

ABA Waiver consumers served through March 2019 are 164. This is 27 more consumers than the prior year (137 consumers were served through March 2018).



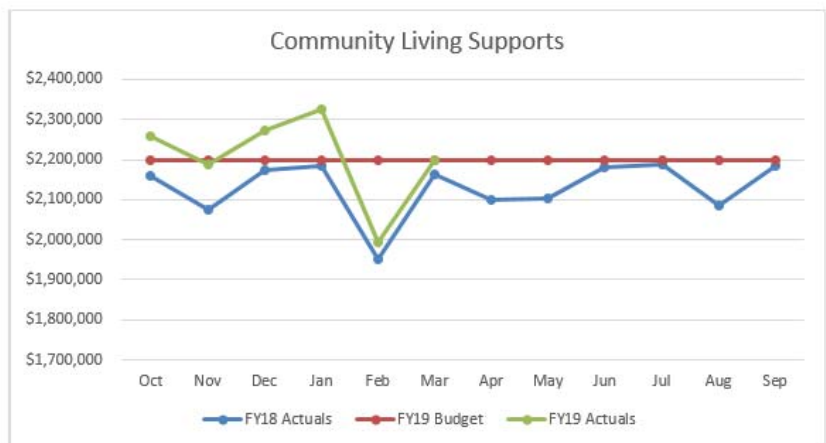
General fund consumers served through March 2019 are 640. This is 72 more consumers served than the same period last year.

Healthy Michigan consumers served through March 2019 were 817. This is 1 more consumer than the same period last year.

3. Financial Statement Highlights

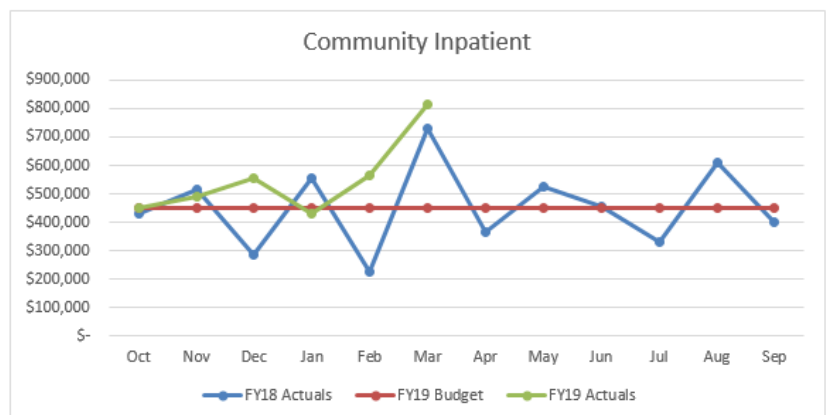
- a. CLS service costs to date are \$13.0 Million. The costs year to date are 4.21% more than last year as of March 2018. This is \$152,000 under the budget.
- b. The graph below is presented with actual paid claims for CLS services and does not reflect the general ledger. Figures below have been updated retrospectively back to October in order to incorporate all paid claim amounts from prior periods. In doing so, the graph represents the most accurate and up to date information for this service at the time of report preparation.

	FY18 Actuals	FY19 Budget	FY19 Actuals	YTD % Change
Oct	\$ 2,158,063	\$ 2,200,000	\$ 2,260,005	4.72%
Nov	2,074,986	2,200,000	2,187,676	5.07%
Dec	2,173,418	2,200,000	2,273,497	4.91%
Jan	2,185,057	2,200,000	2,327,341	5.32%
Feb	1,951,526	2,200,000	1,992,908	4.73%
Mar	2,163,993	2,200,000	2,200,000	4.21%
Apr	2,101,028	2,200,000		
May	2,103,031	2,200,000		
Jun	2,182,163	2,200,000		
Jul	2,188,001	2,200,000		
Aug	2,084,920	2,200,000		
Sep	2,182,573	2,200,000		



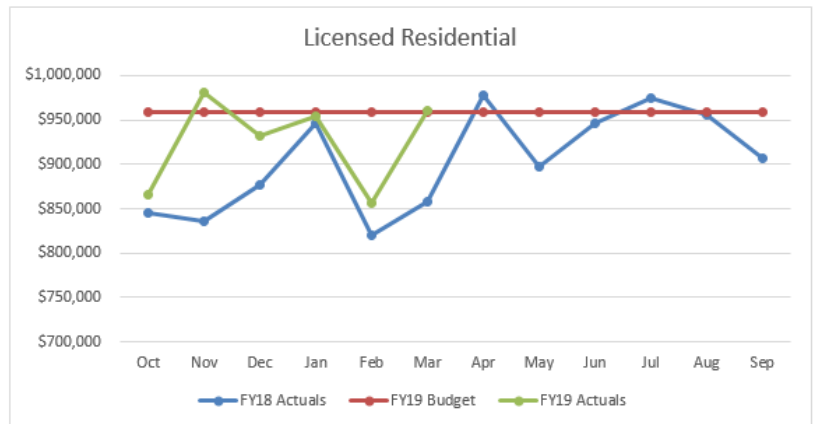
- c. Community Inpatient costs to date are \$3.3 Million. The costs year to date are 20.59% more than last year as of March 2018. This is \$600,000 over the budget.

	FY18 Actuals	FY19 Budget	FY19 Actuals	YTD % Change
Oct	\$ 429,190	\$ 450,000	\$ 451,590	5.22%
Nov	514,899	450,000	488,108	-0.47%
Dec	286,978	450,000	553,470	21.29%
Jan	553,608	450,000	428,822	7.69%
Feb	224,309	450,000	564,957	23.79%
Mar	727,928	450,000	813,506	20.59%
Apr	365,206	450,000		
May	526,885	450,000		
Jun	456,373	450,000		
Jul	332,017	450,000		
Aug	611,452	450,000		
Sep	401,452	450,000		



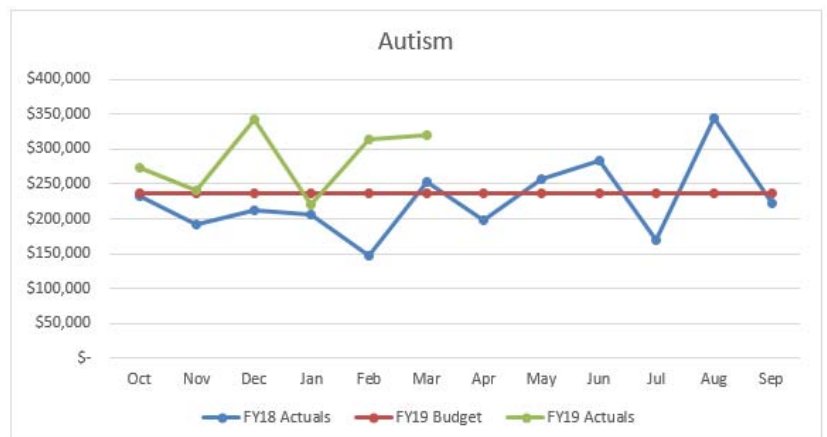
- d. Licensed Residential costs to date are \$5.5 Million. The costs year to date are 7.11% more than last year as of March 2018. This is \$199,000 under the budget.

	FY18 Actuals	FY19 Budget	FY19 Actuals	YTD % Change
Oct	\$ 845,486	\$ 958,333	\$ 866,002	2.43%
Nov	835,932	958,333	981,647	9.89%
Dec	877,606	958,333	932,083	8.62%
Jan	945,844	958,333	953,401	6.51%
Feb	819,635	958,333	856,512	6.13%
Mar	857,183	958,333	960,377	7.11%
Apr	977,074	958,333		
May	897,294	958,333		
Jun	946,248	958,333		
Jul	973,928	958,333		
Aug	955,501	958,333		
Sep	907,217	958,333		



- e. Applied Behavior Analysis/Autism service costs to date are \$1.7 Million. The costs year to date are 37.95% more than last year as of March 2018. This is \$288,000 over the budget.

	FY18 Actuals	FY19 Budget	FY19 Actuals	YTD % Change
Oct	\$ 232,440	\$ 237,500	\$ 274,122	17.93%
Nov	191,560	237,500	241,620	21.64%
Dec	211,309	237,500	342,030	35.02%
Jan	206,977	237,500	220,299	27.99%
Feb	147,684	237,500	314,818	40.70%
Mar	252,156	237,500	320,639	37.95%
Apr	197,173	237,500		
May	257,596	237,500		
Jun	284,231	237,500		
Jul	170,328	237,500		
Aug	344,560	237,500		
Sep	223,270	237,500		



- f. A significant amount of General Fund is used to supplement Medicaid deductibles for our consumers on a spend-down. The number of cases that did not meet their spend-down deductible through March 2019 were 133. The number of cases that met their spend-down deductible through March 2019 were 149. The amount spent through March 2019 is \$483,000.

4. PIHP Revenue Key Points

- a. Medicaid, Healthy Michigan Plan and Autism funds are coming in at budget.
- b. By funding source, Medicaid is showing a deficit of \$3.7 Million.
- c. By funding source, HMP is showing a deficit of \$2.0 Million

5. State General Fund Key Points

- a. General Fund programs and funding redirected to other Risk-Based programs is showing a deficit of \$211,000.
- b. General Fund overages are primarily resulting in the CLS and Licensed Residential business units.
- c. General Fund funding has been redirected by the WCCMH as detailed below:
 - i. \$22,000 to SED Waiver
 - ii. \$96,000 to Child Waiver

6. Local Key Points

- a. The majority of Local Funding comes from Washtenaw County.
- b. Local Funds are showing a surplus of \$81,000 through March 2019.
- c. Uses of Local Funding include:
 - i. The 10% GF Match of non-residential services
 - ii. Local contribution – required by MDHHS
 - iii. Local share for State Facilities
 - iv. Shelter expenses and other Local needs

7. Fund Balance

WCCMH current has no fund balance available for fiscal year 2019.

Washtenaw County Community Mental Health
FINANCIAL PERFORMANCE BY FUND SOURCE
MARCH 2019 FYTD

ATTACHMENT #2
MAY 2019

	Total
Medicaid **	
<u>Revenue</u>	
B & B3	\$ 19,751,569.79
HSW	11,519,283.05
Prior Year Adjustments	-
Care for Caid	<u>89,468.02</u>
Total Medicaid Revenue	\$ 31,360,320.86
 <u>Expense</u>	
Service Costs	\$ 31,121,107.38
Admin. Cost Allocation	3,954,413.86
Redirect To Cover COFR Exp.	-
Redirect To Cover MiChild Exp	-
Total Medicaid Expense	\$ 35,075,521.24
 Medicaid Surplus/(Deficit)	 <u><u>\$ (3,715,200.38)</u></u>
 Autism Benefit **	
<u>Revenue</u>	
Medicaid Benefit	\$ 1,260,698.44
MIChild Benefit	-
Total Autism Benefit Revenue	<u>\$ 1,260,698.44</u>
 <u>Expense</u>	
Medicaid Service Costs	\$ 1,120,801.41
Admin. Cost Allocation	139,897.02
MIChild Service Costs	-
Admin. Cost Allocation	-
Total Autism Benefit Expense	<u>\$ 1,260,698.44</u>
Autism Surplus/(Deficit)	<u><u>\$ -</u></u>
 Healthy Michigan **	
Revenue	\$ 2,183,131.00
Expense	<u>4,240,127.33</u>
Healthy MI Surplus/(Deficit)	<u><u>\$ (2,056,996.33)</u></u>
 General Fund	
<u>Revenue</u>	
CMH Operations	\$ 1,577,338.17
CMH Operations Contra	-
Categorical	-
Redirect To SED Waiver	(22,799.70)
Redirect To Children's Waiver	(96,833.35)
Redirect To Injectable Meds.	(1,500.98)
Funding Fr. Other Local Sources	<u>33,254.33</u>
Total General Fund Revenue	\$ 1,489,458.47
Total General Fund Expense	\$ 1,701,381.51
General Fund Surplus/(Deficit)	<u><u>\$ (211,923.05)</u></u>

Washtenaw County Community Mental Health
FINANCIAL PERFORMANCE BY FUND SOURCE
MARCH 2019 FYTD

ATTACHMENT #2
MAY 2019

	Total
SED Waiver	
Revenue	\$ 59,998.19
Expense	59,998.19
SED Waiver Surplus/(Deficit)	\$ -
Children's Waiver	
Revenue	\$ 335,117.49
Expense	335,117.49
CW Surplus/(Deficit)	\$ -
Injectable Meds	
Revenue	\$ 1,500.98
Expense	1,500.98
Inj. Meds. Surplus/(Deficit)	\$ -
Grants And Contracts	
Revenue	\$ 711,014.71
Expense	711,014.71
Grants & Cont. Surplus/(Deficit)	\$ -
CMHSP To CMHSP	
Revenue	\$ 337,389.52
Redirect to GF	(33,254.33)
Expense	304,135.19
CMHSP to CMHSP Surplus/(Deficit)	\$ -
Local	
Revenue	\$ 866,870.97
Expense	785,060.85
Local Surplus/(Deficit)	\$ 81,810.12
Private Grant & All NOR	
Revenue	\$ 108,909.16
Expense	97,857.16
Priv. Grant & NOR Surplus/(Deficit)	\$ 11,052.00
Grand Total	
Revenue	\$ 38,377,020.27
Expense	44,268,277.90
Grand Total Surplus/(Deficit)	\$ (5,891,257.63)

** Denotes PIHP Medicaid Subcontracting Agreement Funds

PIHP Medicaid Surplus/(Deficit)	\$ (5,772,196.71)
WCCMH Surplus/(Deficit)	\$ (119,060.92)
	\$ (5,891,257.63)

Washtenaw County Community Mental Health
Budget to Actuals
For Six Months Ending March 31, 2019

	FY 2019 Budget Amendment	FY 2019 Budget Amendment YTD	FY 2019 Current YTD Actuals	YTD Actuals Over/(Under) Amended Budget	% O(U)	FY 2018 Prior YTD Actuals	YTD Actuals Over/(Under) Prior Year Actuals	% O(U)
Operating Revenue								
PIHP Revenue								
Medicaid Capitation:	\$ -	\$ -	\$ -	\$ -	0.00%	\$ 32,013,385	\$ (32,013,385)	-3.02%
State Plan/B3	37,898,761	18,949,381	19,409,406	460,026	2.43%	-	19,409,406	
HSW	23,510,004	11,755,002	11,519,283	(235,719)	-2.01%	-	11,519,283	
Healthy Michigan Capitation	4,001,682	2,000,841	2,183,131	182,290	9.11%	2,003,050	180,081	8.99%
Autism Capitation	2,951,725	1,475,863	1,602,862	127,000	8.61%	1,353,029	249,833	18.46%
Anticipated Medicaid Revenue	10,361,681	5,180,841	-	(5,180,841)	-100.00%	-	-	
TOTAL PIHP Revenue	\$ 78,723,853	\$ 39,361,927	\$ 34,714,682	\$ (4,647,245)	-11.81%	\$ 35,369,464	\$ (654,782)	-1.85%
MDHHS Revenue								
State General Funds	\$ 3,147,193	\$ 1,573,597	1,577,338	\$ 3,742	0.24%	\$ 1,392,288	\$ 185,050	13.29%
Medicaid Fee for Service	820,235	410,118	275,483	(134,635)	-32.83%	229,326	46,157	20.13%
Grants & Earned Contracts	3,509,117	1,754,559	780,382	(974,177)	-55.52%	719,827	60,555	8.41%
All Other Revenue								
County Appropriation	\$ 2,185,277	\$ 1,092,639	515,831	\$ (576,808)	-52.79%	\$ 466,766	\$ 49,065	10.51%
Project Revenue	751,000	375,500	369,626	(5,874)	-1.56%	350,996	18,630	5.31%
All Other	1,172,977	586,489	1,019,754	433,266	73.87%	1,156,967	(137,213)	-11.86%
TOTAL Operating Revenue	\$ 90,309,652	\$ 45,154,826	\$ 39,253,096	\$ (5,901,730)	-13.07%	\$ 39,685,634	\$ (432,538)	-1.09%
Operating Expenses								
Administrative Expenses								
General Administration	\$ 6,503,782	\$ 3,251,891	\$ 3,439,776	\$ 187,885	5.78%	\$ 3,345,717	\$ 94,059	2.81%
Program Administration	3,408,000	1,704,000	1,743,314	39,314	2.31%	1,774,188	(30,874)	-1.74%
Residential Services								
Community Living Supports	\$ 26,400,000	\$ 13,200,000	\$ 13,048,984	\$ (151,016)	-1.14%	\$ 12,039,181	\$ 1,009,803	8.39%
Licensed Residential	11,500,000	5,750,000	5,550,022	(199,978)	-3.48%	5,181,686	368,336	7.11%
Outpatient Services								
Autism Services	\$ 2,850,000	\$ 1,425,000	\$ 1,713,528	\$ 288,528	20.25%	\$ 1,242,126	\$ 471,402	37.95%
Case Management	4,816,278	2,408,139	2,430,723	22,584	0.94%	2,270,381	160,342	7.06%
Supports Coordination	2,354,878	1,177,439	1,120,482	(56,957)	-4.84%	1,067,872	52,610	4.93%
Skill Building	5,979,556	2,989,778	3,170,291	180,513	6.04%	3,037,673	132,618	4.37%
Supported Employment	1,747,546	873,773	991,522	117,749	13.48%	988,908	2,614	0.26%
Psychiatry	2,747,242	1,373,621	1,403,047	29,426	2.14%	1,284,920	118,127	9.19%
Nursing Services	2,282,899	1,141,450	1,111,565	(29,885)	-2.62%	952,140	159,425	16.74%
Therapy Services	1,804,501	902,251	901,579	(672)	-0.07%	852,842	48,737	5.71%
All Other	7,938,205	3,969,103	3,780,089	(189,014)	-4.76%	4,063,564	(283,475)	-6.98%
Other Expenses								
Community Inpatient	\$ 5,400,000	\$ 2,700,000	\$ 3,300,454	\$ 600,454	22.24%	\$ 2,736,911	\$ 563,543	20.59%
Local Matches & Shelter	1,282,838	641,419	658,596	17,177	2.68%	765,692	(107,096)	-13.99%
Grants & Earned Contracts	3,293,927	1,646,964	780,382	(866,582)	-52.62%	719,827	60,555	8.41%
TOTAL Operating Expenses	\$ 90,309,652	\$ 45,154,826	\$ 45,144,354	\$ (10,472)	-0.02%	\$ 42,323,628	\$ 2,820,726	6.66%
Revenue Over/(Under) Expenses	-	-	(5,891,258)	(5,891,258)		(2,637,994)	(3,253,264)	

ACTION REQUESTED: To approve the following contract(s):

BACKGROUND:

1. PCE Systems – will provide an electronic health record and practice management system called the CARES system.
2. Genesee Lake School – out of state specialized licensed residential for one individual.

Service Contracts

Contractor	Funding	Estimated Budget	Contract Term	Service Description
1. PCE Systems	Millage	\$93,800	April 1, 2019- September 30, 2019	CARES System
2. Genesee Lake School	Medicaid	Per consumer authorizations	May 1, 2019 – September 30, 2019	Licensed Residential Services

RECOMMENDATIONS: To approve the contract(s) listed above.

**Executive Director Contract Authorizations
May 2019 Finance Committee Meeting**

ACTION REQUESTED: Acceptance of the Executive Director's signature on contracts with a value of less that \$25,000

Contracts

Contractor	Amount	Term	Purpose	Approval Date
West Interactive Services	\$7,392	10/1/18 – 9/30/19	Reminder Communications	10/19/2018
Deborah Kennard	\$2,000	10/1/18 – 9/30/19	Eye Movement Desensitization and Reprocessing Training	10/19/2018
Saline Area Schools	\$20,000	10/1/18 – 9/30/19	Respite Services	10/19/2018
UpToDate	\$5,850	10/1/18 – 9/30/19	Evidence-based physician-authored clinical decision support resource	10/19/2018
Policy Research Associates	\$22,500	1/1/19 – 9/30/19	Youth System Intercept Mapping	1/18/2019
MEND	\$22,116	3/1/19 – 9/30/19	Telemedicine system	3/15/2019
Washtenaw Alliance for Children & Youth (WACY)	\$4,000	7/1/18 – 6/30/19	Become a participating member of Leadership Team, supports increased high school graduation rates	4/19/2019
U.S. Transport Service	\$4,000	5/1/19-9/30/19	Transportation Company	

Recommendation: Acceptance