

COMMUNITY MENTAL HEALTH PARTNERSHIP OF SOUTHEAST MICHIGAN
REGULAR BOARD MEETING
Patrick Barrie Room
705 N. Zeeb Rd, Ann Arbor, MI
Wednesday, August 14, 2019
6:00 PM



Agenda

	<u>Guide</u>
I. Call to Order	1 min
II. Roll Call	2 min
III. Consideration to Adopt the Agenda as Presented	2 min
IV. Consideration to Approve the Minutes of the 7-10-19 Regular Meeting and Waive the Reading Thereof {Att. #1}	2 min
V. Audience Participation (5 minutes per participant)	
VI. Old Business	30 min
a. August Finance Report {Att. #2}	
b. CEO Search Committee Update	
VII. New Business	20 min
a. Board Action Request {Att. #3, 3a}	
Consideration to approve the proposed 2019 Budget 3 rd amendment with allocations as presented	
b. FY20 Objectives, Assumptions and Strategies {Att. #4}	
VIII. Reports to the CMHPSM Board	30 min
a. Report from the SUD Oversight Policy Board (OPB)	
b. CEO Report to the Board {Att. #5}	
c. CMHPSM Office Relocation Plan {Att. #6}	
d. Closed Session to Discuss Regional Appeal	
IX. Adjournment	

**COMMUNITY MENTAL HEALTH PARTNERSHIP OF SOUTHEAST MICHIGAN
REGULAR BOARD MEETING MINUTES
July 10, 2019**



Members Present: Judy Ackley, Greg Adams, Bob King, Sandra Libstorff, Charles Londo, Sharon Slaton, Caroline Richardson, Ralph Tillotson

Members Absent: Charles Coleman, Susan Fortney, Roxanne Garber, Gary McIntosh, Katie Scott

Staff Present: Kathryn Szewczuk, Stephannie Weary, Lisa Jennings, James Colaianne, Suzanne Stolz, Connie Conklin, Nicole Adelman, Dana Darrow

Others Present: Laurie Lutomski, Kathy Homan

I. Call to Order

Meeting called to order at 6:00 p.m. by Board Chair C. Londo.

II. Roll Call

) A quorum of members present was confirmed.

III. Consideration to Adopt the Agenda as Presented

**Motion by R. Tillotson, supported by S. Slaton, to approve the agenda
Motion carried**

) Addition to New Business: Proposed Deficit Elimination Plan

IV. Consideration to Approve the Minutes of the June 12, 2019 Regular Meeting and Waive the Reading Thereof

**Motion by B. King, supported by G. Adams, to approve the minutes of June 12, 2019
Regular Meeting and waive the reading thereof
Motion carried**

V. Audience Participation
None

VI. Old Business

a. July Finance Report

) S. Stolz presented. Discussion followed.

b. CEO Search Committee Update

) The committee intends to survey employees to determine what they want in their CEO. The committee will also include 1 PIHP employee, who will be selected at random.

c. Regional Communication to Legislators

) J. Colaianne shared a written communication drafted by the ROC that will be sent to the governor regarding the current financial crisis within the mental health system.

) All 10 PIHP directors will submit a letter together in support of the current system.

-) As part of the millage investments, Washtenaw funded a position to be focused just on grassroots advocacy and organization. The position will also work with the other 3 counties for more coordinated efforts.

VII. New Business

a. Proposed Deficit Elimination Plan

-) S. Stolz presented. Discussion followed.
-) B. King requested that explanation section of the resolution indicate “2018 deficit.”
-) C. Richardson suggested adding a line the resolution language that indicates the funds that are related to the lawsuit settlement.

Motion by R. Tillotson, supported by J. Ackley, to approve the proposed Deficit Elimination Plan Resolution as amended
Motion carried

Ackley	Yes	Libstorff	Yes
Adams	Yes	Londo	Yes
Coleman	Absent	McIntosh	Absent
Fortney	Absent	Richardson	Yes
Garber	Absent	Scott	Absent
King	Yes	Slaton	Yes
		Tillotson	Yes

VIII. Reports to the CMHPSM Board

a. Report from the SUD Oversight Policy Board

-) N. Adelman provided an overview of the discussion and decisions that occurred at the most recent OPB meeting (see minutes in Regional Board packet for details).

b. CEO Report to the Board

-) J. Colaianne submitted a written report that included updates on CMHPSM operations, the Region, and the state (see report in Regional Board packet for details).

c. CMHPSM Office Relocation Plan

-) J. Colaianne provided a status of the plan to move CMHPSM operations to a new site.

IX. Adjournment

Motion by R. Tillotson, supported by C. Richardson, to adjourn the meeting

Motion carried

-) Meeting adjourned at 7:08 p.m.



Financial Highlights
Fiscal Year 2019
For the Period Ending June 30, 2019

Summary of Revenues & Expenses by Fund Source:

1. Cost projections to date by the Affiliate Partners indicate there will not be enough Medicaid Funding to cover FY2019 needs.
2. Cost projections to date by Affiliate Partners indicate there will not be enough Healthy Michigan Plan funding for FY2019.
3. The SUD projections for Medicaid, Healthy Michigan Plan, Block Grant, PA2 funding and projected utilization of PA2 reserves indicates funding will be sufficient to cover FY2019 needs and is consistent with projections and delayed initiatives.

CMHPSM Strategies:

1. CMHPSM will continue to coordinate with the CMHSP's to review current year budgets and actual expenditures.
2. CMHPSM and the CMHSP's will continue revenue advocacy in relation to the FY19 rates and the FY20 rate setting with MDHHS.
3. CMHPSM in collaboration with the Regional Operations Committee is utilizing a shared decision model to monitor and balance FY19 expenditures to revenues including the shared risk corridor.
4. CMHPSM is monitoring the CMHSP expenditure overages. CMHPSM is working with the CMHSP's to ensure medically necessary care is being provided through appropriate utilization of resources in a cost effective and timely manner.
5. CMHPSM will utilize the most current payment data to monitor incoming revenues and to project revenues by trending traditional Medicaid Eligibles and HMP Enrollees.

**Community Mental Health Partnership of Southeast Michigan
Preliminary Statement of Revenues and Expenditures
For the Period Ending June 30, 2019**

	2nd Amend FY19 Budget	Budget to date	YTD Actual	YTD Actual O/(U) Budget	Percent Variance Actual to Budget	Projected YTD	Projected O/(U) Budget
Operating Revenue							
Medicaid Capitation SP/B3	87,280,931	65,460,698	67,265,299	1,804,601	2.68%	89,687,066	2,406,135
Medicaid Capitation HSW	43,998,199	32,998,649	32,890,956	(107,693)	-0.33%	43,854,608	(143,591)
Performance Based Incentive Pool	1,499,519	1,124,639	1,124,639	-	0.00%	1,499,519	-
Medicaid SUD Capitation	2,427,015	1,820,261	1,805,948	(14,314)	-0.79%	2,407,930	(19,085)
Healthy Michigan Plan	10,204,910	7,653,683	9,197,229	1,543,546	16.78% 1	12,262,972	2,058,062
Healthy Michigan Plan SUD	4,427,786	3,320,840	3,299,208	(21,632)	-0.66%	4,398,944	(28,842)
Autism	9,480,753	7,110,565	7,105,714	(4,851)	-0.07%	9,474,285	(6,468)
SUD Community Block Grant	6,660,943	4,995,707	4,995,707	-	0.00%	6,660,943	-
Block Grants	550,000	412,500	214,274	(198,227)	-92.51% 2	285,698	(264,302)
SUD PA2 - Cobo Tax Revenue	1,860,059	1,395,044	1,395,044	-	0.00%	1,860,059	-
SUD PA2 - Cobo Tax Use of Reserv	1,564,432	1,173,324	1,173,324	-	0.00%	1,564,432	-
Local Match	1,577,780	1,183,335	1,183,335	-	0.00%	1,577,780	-
Other Revenue	331,920	248,940	242,364	(6,576)	-2.71% 3	323,153	(8,767)
Anticipated Medicaid Revenue	13,868,008	10,401,006	-	(10,401,006)	-4	13,868,008	-
Total Revenue	\$ 185,732,255	\$ 139,299,191	\$ 131,893,041	\$ (7,406,150)	-5.62%	\$ 189,725,396	\$ 3,993,141
Funding For CMHSP Partners							
Lenawee CMHSP	18,400,108	13,800,081	14,118,890	318,809	2.26%	18,400,108	425,078
Livingston CMHSP	29,238,050	21,928,538	21,363,043	(565,494)	-2.65%	29,238,050	(753,992)
Monroe CMHSP	31,881,500	23,911,125	21,791,454	(2,119,671)	-9.73% 5	31,881,500	(2,826,228)
Washtenaw CMHSP	78,723,853	59,042,890	52,489,049	(6,553,840)	-12.49% 5	78,723,853	(8,738,454)
Total Funding For CMHSP Partners	\$ 158,243,511	\$ 118,682,633	\$ 109,762,436	\$ (8,920,197)	-8.13%	\$ 158,243,511	\$ (11,893,596)
Funding For SUD Services							
Lenawee County	2,118,015	1,588,511	1,618,435	29,924	1.85% 6	2,157,914	39,899
Livingston County	2,870,825	2,153,119	1,653,874	(499,245)	-30.19% 6	2,205,165	(665,660)
Monroe County	2,669,660	2,002,245	1,675,707	(326,538)	-19.49% 6	2,234,276	(435,384)
Washtenaw County	7,988,563	5,991,422	4,790,702	(1,200,721)	-25.06% 6	6,387,602	(1,600,961)
Total Funding For SUD Services	\$ 15,647,063	\$ 11,735,297	\$ 9,738,718	\$ (1,996,579)	-20.50%	\$ 12,984,958	\$ (2,662,105)
Other Contractual Obligations							
Hospital Rate Adjuster	2,943,755	2,207,816	3,156,076	948,260	30.05% 7	4,208,101	1,264,346
Insurance Provider Assessment Tax	1,456,827	1,092,620	1,325,107	232,487	17.54% 8	1,766,809	309,982
Local Match	1,577,780	1,183,335	1,183,335	-	0.00%	1,577,780	-
Total Other Costs	\$ 5,978,362	\$ 4,483,772	\$ 5,664,518	\$ 1,180,746	20.84%	\$ 7,552,691	\$ 1,574,329
CMHPSM Administrative Costs							
Salary & Fringe	2,383,701	1,787,776	1,516,469	(271,306)	-17.89% 9	2,021,959	(361,742)
Administrative Contracts	1,714,002	1,285,502	1,269,817	(15,684)	-1.24%	1,693,090	(20,912)
Board Expense	2,750	2,063	2,123	61	2.87%	2,831	81
All Other Costs	263,347	197,510	180,937	(16,573)	-9.16% 10	241,249	(22,098)
Total Administrative Expense	\$ 4,363,800	\$ 3,272,850	\$ 2,969,347	\$ (303,503)	-10.22%	\$ 3,959,129	\$ (404,671)
Risk Reserve Provision	\$ 1,499,519	\$ 1,124,639	\$ 1,124,639	-	-	\$ 1,499,519	\$ -
Total Expense	\$ 185,732,255	\$ 139,299,191	\$ 129,259,659	\$ (10,039,532)	-7.77%	\$ 184,239,808	\$ (13,386,043)
Revenues over (under) Expenditures	\$ -	\$ -	\$ 2,633,382	\$ 2,633,382		\$ 5,485,588	\$ 17,379,184

**Community Mental Health Partnership of Southeast Michigan
Preliminary Statement of Revenues and Expenditures Notes
For the Period Ending June 30, 2019**

- 1 Healthy Michigan is over budget due to the Hospital Rate Adjuster being received and paid by fund source based on actual utilization.
- 2 PMTO and Club House block grant funding is a pass through to CMHSP's. Gambling Prevention was implemented late in the year. Revenue under budget correlates with administrative contract expenditures under budget. Budgets will be amended to reflect finalized grant funding.
- 3 Other revenue under budget due to vacant SIS assessor position and contracted assessments. Revenue is based on billings of SIS assessor expenditures. The revenue under budget correlates with administrative contract and administrative wages under budget.
- 4 Anticipated Medicaid Revenue was been amended to reflect the funding projected to provide sufficient support to provide all medically necessary services for those Medicaid entitled beneficiaries. Receipt of funding is not known.
- 5 See attached for narratives required by the Financial Stability & Risk Reserve Management Policy of a 5% variance. Actual to date for the CMHSP's is distribution of available funding to date. Please see Distribution Analysis attached. Budgets will be amended to reflect the current CMHSP projections.
- 6 SUD Block grant programs and PA2 initiatives are not fully implemented, most specifically State Opioid Response, State Targeted Response and Innovative Strategies. Budget amends will be presented for FY19. Carry forward approvals are anticipated for unused special initiative SUD funding.
- 7 Hospital Rate Adjuster (HRA) is over budget due to increase of expenditures based on current data. The HRA is a pass through from MDHHS to the hospitals. This overage correlates with the Medicaid and Healthy Michigan Plan Revenue overage. An amendment to revenues and expenditures will be presented in the next budget amend.
- 8 The Insurance Provider Assessment (IPA) has been invoiced based on fiscal year 2017 enrollments for the 1st quarter of FY2019. Adjustments are anticipated due to higher than expected eligibles. The revenue budgets were increased to reflect these increased eligibles. The IPA expenditure budget will be adjusted as well to reflect the increased eligibles in the next amendment
- 9 Salary and wages under budget due to vacant positions.
- 10 Administrative contracts under budget due to timing, primarily contract expenditures in relation to the Block Grant Other, SIS assessment, STR, SOR and Gambling Prevention contracts.



**CMHSP Financial Narratives
Fiscal Year 2019
For the Period Ending June 30, 2019**

Monroe

Monroe CMHA is projected to have \$30,019,807 in Medicaid and Healthy Michigan expenses for FY2019. This is over the revised allocation of \$26,813,843 by \$3,205,964. For Autism, we are projected to have \$1,861,669 in expenses which is over \$186,179 from the revised allocation of \$1,675,490. These projections are based on the past two years actual expenses for contracted services for consumers which were roughly the same amount. Autism is based on the increase of autism consumers and services provided to them.

Monroe is aggressively looking at ways to reduce these costs where necessary. Also, the projection includes a possible increase of new consumers.

Washtenaw

Washtenaw is projecting a \$10 million shortfall in Medicaid and Healthy Michigan Plan revenue for fiscal year 2019. Continued pressure points are inpatient hospitalizations, as well as community living supports provided in licensed and un-licensed settings. Capacity constraints within our local community group homes have resulted in out of county high cost placements. Lack of available inpatient beds in our local hospitals has also resulted in out of county inpatient stays which tend to be more costly stays on average. Washtenaw continues to have a robust utilization review process for both inpatient and contracted services. At the request of the Washtenaw County CMH Board, a local taskforce group has been meeting for several months working to address the budgetary challenges and find ways of reducing the deficit without impacting consumer health and safety.

**Community Mental Health Partnership of Southeast Michigan
Received and Distributed by Fund Source
FY 18/19**

	October	November	December	January	February	March	April	May	June	July	August	September	YTD
State Plan/B3 Receipts	\$ 7,275,309	\$ 7,262,790	\$ 7,209,779	\$ 7,468,416	\$ 8,264,493	\$ 7,183,395	\$ 6,761,281	\$ 8,744,605	\$ 7,095,232	\$ -	\$ -	\$ -	\$ 67,265,299 *
Distributions													
Lenawee CMHSP	930,624	950,544	943,154	976,938	986,204	1,069,039	998,962	990,570	989,349				\$ 8,835,384
Livingston CMHSP	1,255,074	1,281,938	1,271,972	1,317,534	1,330,031	1,441,746	1,345,143	1,335,919	1,334,272				\$ 11,913,631
Monroe CMHSP	1,405,282	1,435,362	1,424,203	1,475,218	1,489,211	1,614,295	1,508,098	1,495,800	1,493,959				\$ 13,341,428
Washtenaw CMHSP	3,084,945	3,150,977	3,126,480	3,238,472	3,269,189	3,543,781	3,280,604	3,283,662	3,279,613				\$ 29,257,723
	\$ 6,675,926	\$ 6,818,821	\$ 6,765,808	\$ 7,008,162	\$ 7,074,635	\$ 7,668,861	\$ 7,132,807	\$ 7,105,952	\$ 7,097,194	\$ -	\$ -	\$ -	\$ 63,348,165
HSW Receipts	\$ 3,389,214	\$ 3,943,530	\$ 3,662,898	\$ 3,478,019	\$ 3,719,221	\$ 3,508,057	\$ 3,580,899	\$ 3,427,795	\$ 4,181,323	\$ -	\$ -	\$ -	\$ 32,890,956
Distributions													
Lenawee CMHSP	372,809	381,538	418,047	415,530	398,072	395,729	396,899	386,189	438,951				\$ 3,603,763
Livingston CMHSP	588,074	622,174	589,533	627,496	638,929	598,384	612,209	568,234	728,590				\$ 5,573,622
Monroe CMHSP	587,361	590,851	665,760	642,598	656,963	597,014	605,069	577,433	677,634				\$ 5,600,683
Washtenaw CMHSP	1,787,760	1,965,023	1,943,069	1,998,151	1,966,866	1,858,414	1,964,596	1,809,657	2,270,502				\$ 17,564,038
	\$ 3,336,003	\$ 3,559,586	\$ 3,616,409	\$ 3,683,775	\$ 3,660,830	\$ 3,449,540	\$ 3,578,773	\$ 3,341,512	\$ 4,115,678	\$ -	\$ -	\$ -	\$ 32,342,106
Autism Receipts	\$ 785,998	\$ 794,195	\$ 789,286	\$ 784,892	\$ 807,013	\$ 788,161	\$ 783,239	\$ 785,774	\$ 787,157	\$ -	\$ -	\$ -	\$ 7,105,714
Distributions													
Lenawee CMHSP	76,646	77,207	76,852	76,430	78,587	76,748	88,256	64,531	76,651				\$ 691,909
Livingston CMHSP	281,758	283,821	282,514	280,963	288,893	282,134	280,369	281,288	281,777				\$ 2,543,515
Monroe CMHSP	150,276	151,376	150,679	149,852	154,081	150,477	149,535	150,025	150,286				\$ 1,356,588
Washtenaw CMHSP	264,742	266,681	265,453	263,995	271,447	265,096	263,438	264,301	264,760				\$ 2,389,913
	\$ 773,422	\$ 779,085	\$ 775,498	\$ 771,240	\$ 793,008	\$ 774,455	\$ 781,598	\$ 760,144	\$ 773,475	\$ -	\$ -	\$ -	\$ 6,981,924
HMP Receipts	\$ 855,219	\$ 847,573	\$ 848,057	\$ 861,374	\$ 859,377	\$ 851,849	\$ 839,858	\$ 831,354	\$ 2,402,570	\$ -	\$ -	\$ -	\$ 9,197,229
Distributions													
Lenawee CMHSP	105,108	110,600	110,477	112,396	112,115	111,147	109,614	108,480	107,895				\$ 987,834
Livingston CMHSP	141,753	149,160	148,994	151,582	151,203	149,942	147,830	146,301	145,512				\$ 1,332,275
Monroe CMHSP	158,718	167,011	166,826	169,723	169,299	168,919	165,523	163,810	162,927				\$ 1,492,755
Washtenaw CMHSP	348,425	366,631	366,224	372,585	371,653	371,227	363,363	359,604	357,665				\$ 3,277,376
	\$ 754,004	\$ 793,403	\$ 792,521	\$ 806,286	\$ 804,269	\$ 801,235	\$ 786,330	\$ 778,196	\$ 773,998	\$ -	\$ -	\$ -	\$ 7,090,241
Total Receipts	\$12,305,739	\$12,848,088	\$12,510,019	\$12,784,701	\$13,650,105	\$12,331,461	\$11,965,276	\$13,789,527	\$14,466,282	\$ -	\$ -	\$ -	\$ 116,459,198
Total Distributions	\$11,539,355	\$11,950,895	\$11,950,235	\$12,269,463	\$12,332,742	\$12,694,090	\$12,279,509	\$11,985,804	\$12,760,345	\$ -	\$ -	\$ -	\$ 109,762,436

Note: Distributions are based on amounts actually received less HRA, taxes and Administration of 1.57%.

* February receipts are higher than normal due to the Hospital Rate Adjustor (HRA). HRA was not included in the rates and is being paid in separate lump sum payments. The amounts withheld from partners October through January were disbursed in March.



Regional Board Action Request

Board Meeting Date: August 14, 2019

Action Requested: Approve the proposed 2019 Budget 3rd amendment with allocations as presented.

Background: The fiscal year 2019 budget is representative and in an adherence to the contracts entered into with the Michigan Department of Health and Human Services (MDHHS).

Connection to PIHP/MDCH Contract, Regional Strategic Plan or Shared Governance Model:

PIHP/MDCH Contract Section 8.0 Contract Financing
CMHPSM Regional Agreements

Recommend: Approval

**Community Mental Health Partnership of Southeast Michigan
FY19 3rd Amendment Budget**

	Original FY19 Budget	2nd Amend FY19 Budget	3rd Amend FY19 Budget	Increase (Decrease)	Percent Increase (Decrease)
Operating Revenue					
Medicaid Capitation SP/B3	128,824,711	87,280,931	90,118,463	2,837,532	3.25% 1
Medicaid Capitation HSW		43,998,199	43,998,199	-	0.00%
Performance Based Incentive Pool	1,133,238	1,499,519	1,499,519	-	0.00%
Medicaid SUD Capitation	2,264,122	2,427,015	2,427,015	-	0.00%
Healthy Michigan Plan	8,992,448	10,204,910	12,566,962	2,362,052	23.15% 1
Healthy Michigan Plan SUD	4,154,073	4,427,786	4,427,786	-	0.00%
Autism	6,863,011	9,480,753	9,480,753	-	0.00%
SUD Community Block Grant	6,909,480	6,660,943	8,762,796	2,101,853	31.55% 2
Block Grants	386,626	550,000	430,000	(120,000)	-21.82% 3
SUD PA2 - Cobo Tax Revenue	1,860,059	1,860,059	1,860,059	-	0.00%
SUD PA2 - Cobo Tax Use of Reserv	1,564,432	1,564,432	1,564,432	-	0.00%
Local Match	1,577,780	1,577,780	1,577,780	-	0.00%
Other Revenue	327,921	331,920	331,920	-	0.00%
Anticipated Medicaid Revenue		13,868,008	10,295,312	(3,572,696)	-25.76% 4
Shared Risk Corridor MDHHS share		-	\$2,144,353	2,144,353	4
Total Revenue	\$ 164,857,900	\$ 185,732,255	\$ 191,485,349	\$ 5,753,094	3.10%
Funding For CMHSP Partners					
Lenawee CMHSP	17,345,491	18,400,108	17,142,675	(1,257,433)	-6.83% 5
Livingston CMHSP	26,020,720	29,238,050	30,018,142	780,092	2.67% 5
Monroe CMHSP	27,878,110	31,881,500	33,151,499	1,269,999	3.98% 5
Washtenaw CMHSP	69,340,230	78,723,853	80,056,896	1,333,043	1.69% 5
Total Funding For CMHSP Partner	\$ 140,584,551	\$ 158,243,511	\$ 160,369,212	\$ 2,125,701	1.94%
Funding For SUD Services					
Lenawee County	2,113,893	2,118,015	2,170,015	52,000	2.46% 2
Livingston County	2,868,451	2,870,825	2,050,825	(820,000)	-28.56% 2
Monroe County	2,634,512	2,669,660	2,208,660	(461,000)	-17.27% 2
Washtenaw County	7,859,326	7,988,563	7,747,563	(241,000)	-3.02% 2
State Targeted Response			1,767,719	1,767,719	2
State Opioid Response			1,117,055	1,117,055	2
Total Funding For SUD Services	\$ 15,476,181	\$ 15,647,063	\$ 17,061,837	\$ 1,414,774	14.53%
Other Contractual Obligations					
Hospital Rate Adjuster	2,207,816	2,943,755	4,819,584	1,875,829	63.72% 1
Insurance Provider Assessment Tax	1,059,026	1,456,827	1,685,151	228,324	15.67% 6
Local Match	1,577,780	1,577,780	1,577,780	-	0.00%
Total Other Costs	\$ 4,844,622	\$ 5,978,362	\$ 8,082,515	\$ 2,104,153	26.03%
CMHPSM Administrative Costs					
Salary & Fringe	2,212,588	2,383,701	2,473,693	89,992	3.78% 2
Administrative Contracts	1,523,669	1,714,002	1,714,002	-	0.00%
Board Expense	4,400	2,750	2,750	-	0.00%
All Other Costs	211,889	263,347	281,822	18,475	7.02% 2
Total Administrative Expense	\$ 3,952,546	\$ 4,363,800	\$ 4,472,267	\$ 108,467	2.49%
Risk Reserve Provision		\$ 1,499,519	\$ 1,499,519	-	0.00%
Total Expense	\$ 164,857,900	\$ 185,732,255	\$ 191,485,349	\$ 5,753,094	3.10%
Revenues over (under) Expenditures	\$ -	\$ -	\$ -	\$ -	-

Community Mental Health Partnership of Southeast Michigan FY19 3rd Amendment Budget

- 1 Capitated funding categories amended based on projected eligibles annualized, increase of Hospital Rate Adjustment not previously included in the rate projections (correlates with increase in expenditures), and increase in rates for the Direct Care Wage pass through.
- 2 SUD Community Block Grant has been adjusted to the final allocation letter as well as the State Opioid Response and State Opioid Response Supplemental grants approved. The increase in funding correlates with the increase in expenditures across the SUD programming including a grant coordinator and corresponding contracts that are region wide.
- 3 Block Grant reduction reflects the final approved amounts for the PMTO grant and the Clubhouse grant. Reduction in revenues correspond with reduction in expenditures.
- 4 A net decrease in the overall amount needed to balance the region's budget is \$1,432,028. The reduction is due to the increased capitation revenue netted against the increase in CMHSP, HRA and tax expenditures.
- 5 Lenawee, Livingston, Monroe and Washtenaw CMHSP's budgets have been amended to reflect projected funding needed by each respective CMHSP to provide all medically necessary services to Medicaid entitled beneficiaries.
- 6 The Insurance Provider Assessment is increased based on increased eligibles, correlates with revenue increases from those eligibles.



Fiscal Year 2020 Preliminary Budget Objectives, Assumptions and Strategies

Community Mental Health Partnership of Southeast Michigan is using the following objectives, assumptions and strategies to prepare the beginning FY20 budget to be presented at the September 2019 board meeting. Amendments will be presented throughout the year to recognize any changes in assumptions or contractual obligations and updates to PIHP rates established by MDHHS.

CMHPSM FY20 Budget Objectives:

1. Fiscal Year 2020 budget will be presented at the September 2019 Board of Directors meeting.
2. The proposed budget will uphold the mission and vision of CMHPSM.
3. The fiscal year 2020 budget will deliver a responsible balance of financial management, oversight monitoring, regulatory management, an accountable service delivery system, and an adherence to the contracts entered into with the Michigan Department of Health and Human Services (MDHHS).

CMHPSM FY20 Assumptions:

1. The preliminary budget will use the fiscal year 2020 rates applied to Traditional Medicaid Eligibles and HMP Enrollees listings for the CMHPSM region.
2. CMHPSM will trend those Traditional Medicaid Eligibles and HMP Enrollees from the most current listing to apply the rates.
3. The Risk-Based Funding Allocation Model that provides an actuarially sound model using the risk weights will be used to establish the CMHSP allocation of Medicaid and Healthy Michigan Plan Capitated expenditures. Projections of Waiver allocations will be based on the most current utilizations for CMHSP expenditures. Autism allocations will be based on the prior rolling fiscal year utilization.
4. Administrative expenditures will be based on fiscal year 2019 actual year to date information updated with the board approved salary schedule and any projected increases in fringes/contracted services.

CMHPSM Strategies:

1. CMHPSM will collaborate with CMHSP's to establish a consistent and reasonable methodology to balance the budget as a PIHP in whole.
2. CMHPSM has coordinated with CMHSP's to review current year budgets and actual expenditures.
3. A shared decision model will be utilized to complete the fiscal year 2020 budget to be presented to the board for approval.
4. CMHPSM will collaborate with the CMHSP's to identify key areas to increase revenue and reduce expenditures.



Interim CEO Report

Community Mental Health Partnership of Southeast Michigan

Submitted to the CMHPSM Board of Directors
August 8, 2019 for August 14, 2019 Meeting

**CMHPSM INTERIM CEO'S REPORT TO
COMMUNITY MENTAL HEALTH PARTNERSHIP OF SOUTHEAST MICHIGAN
BOARD OF DIRECTORS**

August 14, 2019

CMHPSM Update

- J The next CMHPSM all staff meeting is scheduled for August 11, 2019.
- J The last Interim CEO Update was sent out July 26 to staff and then forwarded to the Regional Board. The next Interim CEO Update is scheduled to be sent to staff on August 30.
- J The CMHPSM office relocation workgroup has continued to work on the project. Five letters of intent have been sent out as of this Board update, we have received three responses back. We have had ongoing negotiations and intend to fully negotiate with 2-3 options upon recommendation from our commercial realtor. While our project plan has been delayed slightly due to some interesting responses to our LOIs, we have bought some additional time with the County space. We have moved two staff persons to our conference room space and acquired the front conference room space for our use. We will be abandoning the Patrick Barrie conference room to the County so they can begin a significant portion of their construction project. Stephannie has begun coordinating with staff persons to move previously scheduled meetings from mid-September on. An updated project plan has been provided in the Regional Board meeting packet.

CMHPSM Staffing Update

- J The CMHPSM Employee Engagement results have not yet been provided by ADP, we anticipate having those results for the September meeting and have reached out to ADP. Our ADP representative has left ADP and we are in the process of transitioning to our new ADP representative.
- J The CMHPSM has hired Joelen Kersten in the position of Clinical Treatment Coordinator on July 15. We have been working with one clinical treatment staff person at the CMHPSM since early this year, when an employee went on leave.
- J The CMHPSM posted the position of Utilization and Treatment Specialist which Joelen Kersten previously held on July 23, 2019 after a review and update of the job description.
- J The CMHPSM has posted the position of Grants Coordinator, which will backfill the opening created when Nicole Adelman became our Clinical and SUD Director. The position is still currently posted.
- J The CMHPSM has posted Anyone interested in obtaining additional information about open CMHPSM positions should visit our website at: <https://www.cmhpsm.org/interested-in-employment>

Regional Update

- J The CMHPSM Interim CEO and the Regional CMHSP Executive Directors issued a letter to Governor Whitmer and MDHHS Director Gordon related to the MDHHS decision related to Lakeshore Regional Entity's proposed contractual termination effective 9/30/2019.

Statewide Update

- J The CMHPSM Interim CEO and the Regional CMHSP Executive Directors issued an urgent letter to the Washtenaw County related to their proposed FY2020 budget.
- J We are still awaiting final FY2020 rate information, the July 24 rate setting meeting occurred, and some general draft information was provided. The initial limited information looked positive for our region. We have yet to receive the rate capitation certification documentation as of the writing of this report. The CMHPSM and the CMHSPs have worked to ensure our encounter, BHTEDS and any supplemental rate setting data is as clean as possible.
- J The PIHP Contract Negotiations process has completed for the initial FY2020 MDHHS/PIHP contract. Negotiations are already under way for the first amendment to that agreement.
- J I attended the PIHP CEO meetings for August.

Respectfully Submitted,



James Colaianne, MPA

