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

This meeting will be held by video conference due to the recent State of Michigan legislature allowing public boards and commissions to meet virtually.

https://zoom.us/j/98641635197

February 8, 2021
2:00-3:00pm

I. Roll Call (5 minutes)

II. Introductions (5 minutes)

III. Audience Participation (see guidelines below) (5 minutes)

IV. Budget-Finance Committee meeting minutes (5 minutes)
- Budget-Finance Committee Meeting Minutes and Actions from 1/11/20 (Attachment #1) **ACTION**

V. Finance Status Reports (10 minutes)
- Financial Status Report (Attachment #2) **N. Phelps ACTION**

VI. Contracts and Leases (5 minutes)
- Executive Director Authorizations (Attachment #3) **M. Taylor ACTION**

VII. Regional Finance Update (5 minutes)

VIII. Old Business (15 minutes)
- WCCMH Balance Sheet Review Follow-Up Presentation (Attachment #4) **N. Phelps**

IX. New Business
- None

X. Items for Future Discussions (5 minutes)
- Staffing and Provider Discussion- Budget-Finance and Program-Quality Combined Committee Meeting in March

XI. Adjournment of Public Meeting

The link to attend this meeting remotely is https://zoom.us/j/98641635197

Or join by phone:
Dial(for higher quality, dial a number based on your current location):
US: +1 929 205 6099 or +1 267 831 0333 or +1 312 626 6799 or +1 646 518 9805

Webinar ID: 986 4163 5197

International numbers available: https://zoom.us/u/aiw6rCoyp

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*

Due to the recent State of Michigan legislature allowing public meetings and commissions to meet virtually, this meeting was held remotely

https://zoom.us/j/92139462329

January 11, 2021
2:00 pm

ROLL CALL: A. Dusbiber attending remotely from Ann Arbor, Washtenaw County, MI
N. Graebner attending remotely from Chelsea, Washtenaw County, MI
R. Jefferson attending remotely from Ypsilanti Twp, Washtenaw County MI
B. King attending remotely from Ann Arbor, Washtenaw County, MI
K. Scott attending remotely from Pittsfield Twp, Washtenaw County, MI
D. Strong attending remotely from Scio Twp, Washtenaw County, MI

MEMBERS ABSENT: None

STAFF PRESENT: T. Cortes, N. Phelps, R. Dornbos, S. Lefferts, K. Diebboll, M. Harding, S. Amos O'Neal, L. Higle, M. Taylor. L. Gentz, S. Ray, H. Linky, M. Tasker,

OTHERS PRESENT: L. Lutomski, K. Belknap, J. Martin, B. Higman, G. Nelson

N. Graebner called the meeting to order at 2:03 pm

I. Introductions
   - None

II. Audience Participation
   - None

III. Board Response to Audience Participation
   - None

IV. Budget-Finance and Program-Quality Combined Committee Meeting Minutes and Actions from 12/14/20

MOTION BY D. STRONG, SUPPORTED BY A. DUSBIBER TO APPROVE THE MINUTES AND ACTIONS FROM THE DECEMBER 14, 2020 BUDGET-FINANCE AND PROGRAM-QUALITY COMBINED COMMITTEE MEETING.

ROLL CALL VOTE:

DUSBIBER	Y	**GRAEBNER**	Y
JEFFERSON	Y	**KING**	Y
SCOTT	Y	**STRONG**	Y

MOTION CARRIED

V. Finance Status Reports
   - N. Phelps reviewed the Financial Status Report for the month ending November 30, 2020.

- Medicaid enrollees were 35,657 in November 2020. This is 1,485 more than this time last year.
- Healthy Michigan enrollees were 20,506 in November 2020. This is 3,846 more than this time last year.
- Medicaid consumers served through November 2020 are 2,727. This is 60 more consumers served than the same period last year.
- ABA waiver consumers served through November 2020 are 125. This is 12 less consumers served than the same period last year.
- Healthy Michigan consumers served through November 2020 are 436. This is 53 less consumers served than the same period last year.
- General Fund consumers served through November 2020 were 218. This is 228 less consumers than the same period last year.
- CLS service costs to date are $4.8 Million. This is $350,000 over budget. The temporary $2 per hour direct care worker increase is reflected in the FY21 Actuals for the month of November. The temporary increase has been extended until December 2020.
- Community Inpatient costs to date are $983,000. This is $87,000 under budget.
- Licensed Residential costs to date are $2.1 Million. This is $111,000 over budget. The temporary $2 per hour direct care worker increase is reflected in the FY21 Actuals for the month of November. The temporary increase has been extended until December 2020.
- Applied Behavior Analysis/Autism services costs to date are $812,000. This is $29,000 over budget.
- Internal staffing expenses continue to trend on budget.
- A significant amount of General Fund is used to supplement Medicaid deductibles for our consumers on a spend-down. The amount spent through November 2020 is $23,000.
- Financial performance by funding source:
    - Medicaid is showing a surplus of $1.7 Million through November 2020.
    - Healthy Michigan is showing a surplus of $52,000 through November 2020.
    - Combined, the PIHP surplus is $1.7 Million through November 2020.
    - State General Funds is showing a surplus of $35,000.
    - Local Funds is showing a surplus of $18,000 through November 2020.
- WCCMH has no fund balance available for fiscal year 2021.
- CLS code changes implemented State-wide have affected the ability to process claims in a timely manner both at the provider and CMH levels.
- A request was made for a new table that shows budget-actuals for the year.

A. Dusbiber left the meeting at 2:12pm due to technical difficulties.
A. Dusbiber re-joined the meeting at 2:13pm.

MOTION BY B. KING, SUPPORTED BY STRONG TO APPROVE THE FINANCIAL STATUS REPORT THROUGH NOVEMBER 30, 2020 AS PRESENTED.

ROLL CALL VOTE:

DUSBIBER	Y	**GRAEBNER**	Y
JEFFERSON	Y	**KING**	Y
SCOTT	Y	**STRONG**	Y

MOTION CARRIED

VI. Contracts and Leases

- There were no contracts and leases for this month.

VII. Executive Director Authorizations

- There were no Executive Director Authorizations for this month.

VIII. Regional Finance Update

- N. Phelps presented the Regional Finance Update to the committee.
- The region is still working on the Direct Care Worker pass-through payments.

IX. Old Business

- None

X. New Business

- WCCMH Balance Sheet Review
  - N. Phelps shared a balance sheet review document to the committee.
  - This document will be sent by email to the board.
  - D. Strong requested that staff put together various scenarios of how prior year cost settlement funds could be recognized by WCCMH and County.

- WCCMH FY2021 Budget Amendment
  - N. Phelps presented the WCCMH Budget Amendment to the committee.
  - This amendment shows the Direct Care Worker funding pass-through amounts in the PIHP revenue for October-December 2020.
  - In the future, there could be another amendment to reflect the January-February 2021 Direct Care Worker funding pass-through amounts.

MOTION BY D. STRONG, SUPPORTED BY A. DUSBIBER TO APPROVE THE WCCMH BUDGET AMENDMENT AS PRESENTED.

ROLL CALL VOTE:

DUSBIBER	**Y**	**GRAEBNER**	**Y**
JEFFERSON	**Y**	**KING**	**Y**
SCOTT	**Y**	**STRONG**	**Y**

MOTION CARRIED

XI. Items for Future Discussions

- Staffing and Provider Discussion-special Budget-Finance and Program-Quality Combined Committee Meeting in February

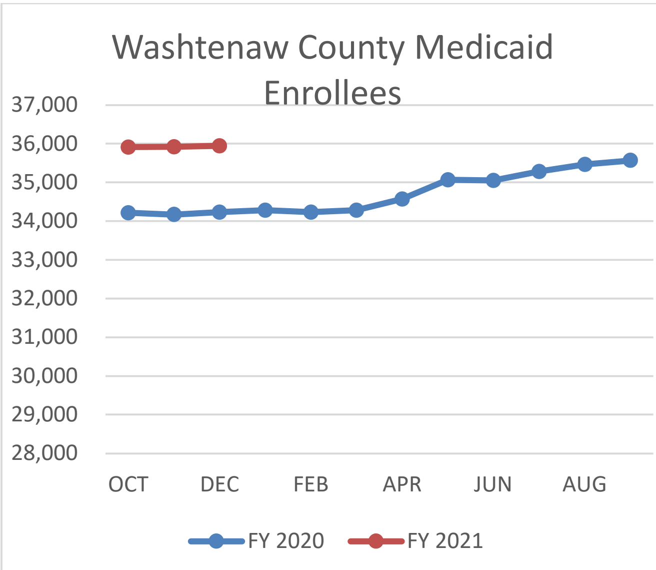
MOTION BY A. DUSBIBER, SUPPORTED BY K. SCOTT TO ADJOURN THE BUDGET-FINANCE COMMITTEE MEETING.

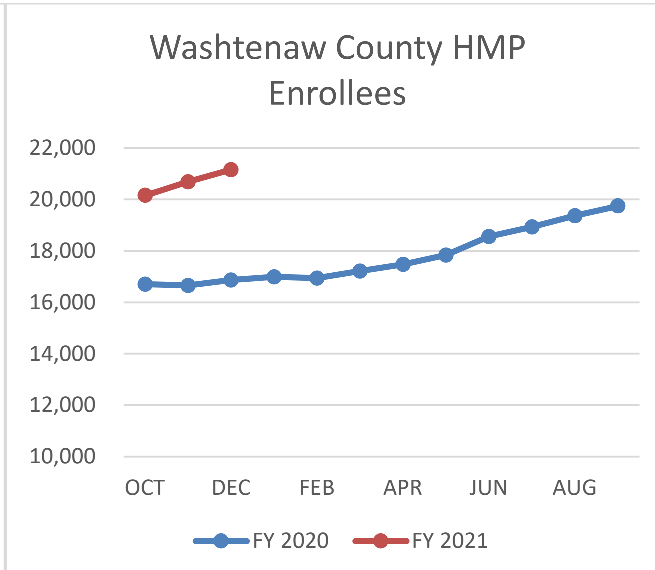
XII. Meeting adjourned at 2:50 pm.

WASHTENAW COUNTY COMMUNITY MENTAL HEALTH
YEAR-TO-DATE FINANCIAL STATUS
FISCAL YEAR 2021: For the period ending December 31, 2020
Prepared: February 1, 2021

1. Washtenaw County Enrollees

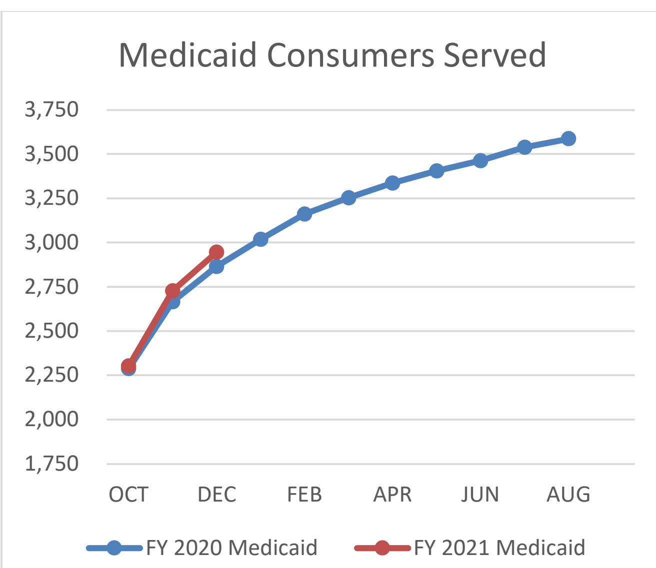
A summary of FY 2021 Washtenaw County Medicaid and Healthy Michigan Enrollees is shown below:

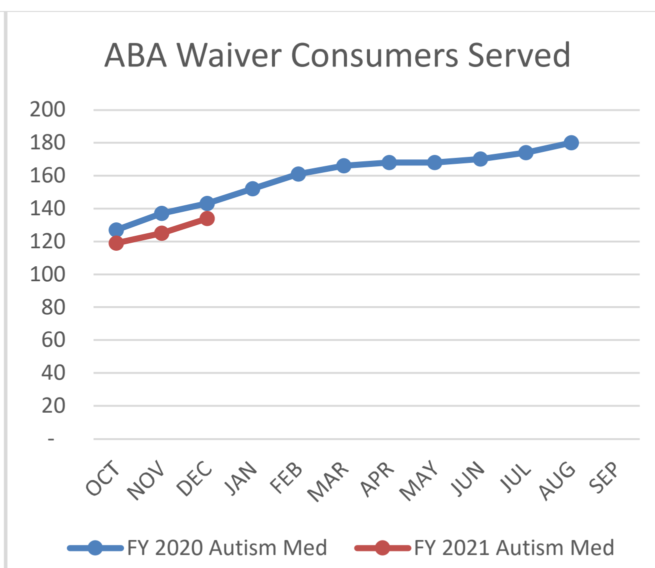




Washtenaw County Medicaid Enrollees were 35,948 in December 2020. This is a 5.01% increase from the same time last year (1,714 more enrollees than in December 2019). Healthy Michigan enrollment in December 2020 was 21,162. This is a 25.50% increase from the same time last year (4,300 more enrollees than in December).

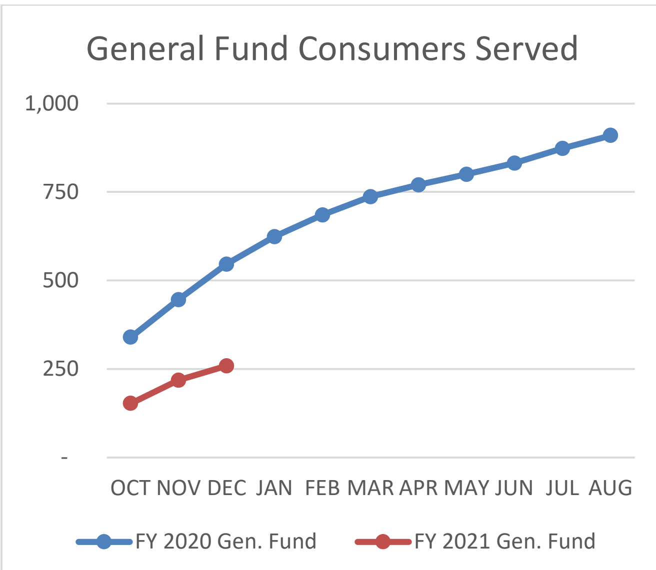
2. WCCMH Consumers Served to Date

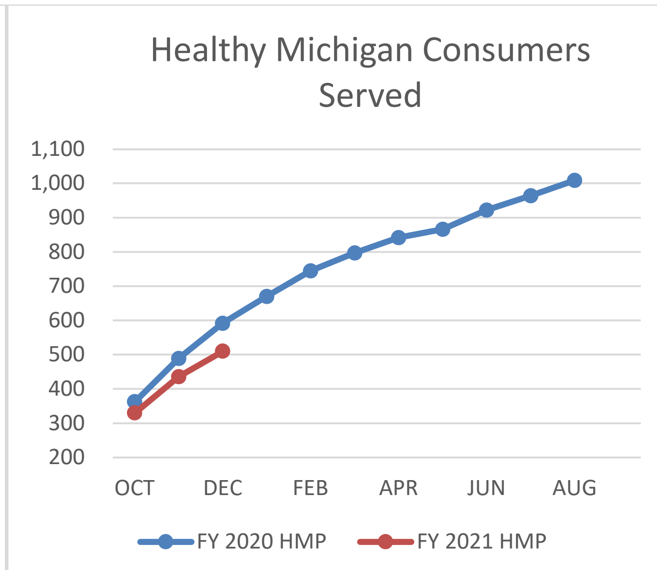




Medicaid consumers served through December 2020 are 2,947. This is 83 more consumers than the prior year (2,864 consumers were served through December 2019).

ABA Waiver consumers served through December 2020 are 134. This is 9 less consumers than the prior year (143 consumers were served through December 2019).





Healthy Michigan consumers served through December 2020 were 510. This is 82 less consumers than the same period last year.

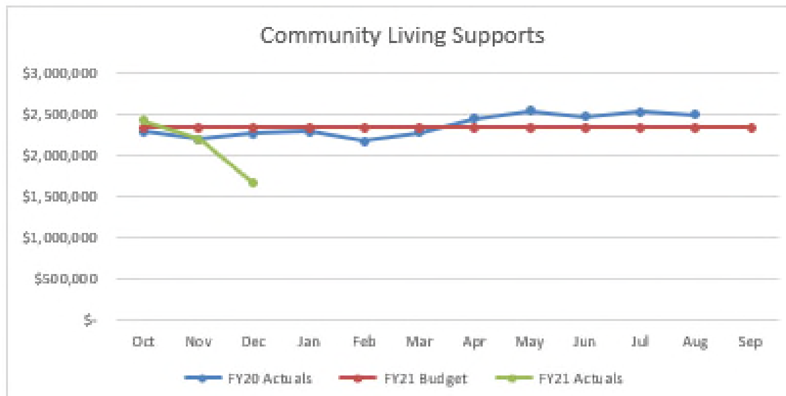
General Fund consumers served through December 2020 were 259. This is 287 less consumers than the same period last year.

3. <u>Financial Statement Highlights</u>

a. CLS service costs to date are estimated to be $7.2 Million. The temporary $2 per hour direct care worker increase is included in both the FY21 Budget and FY21 Actuals below. The temporary increase has been extended through December 2020.

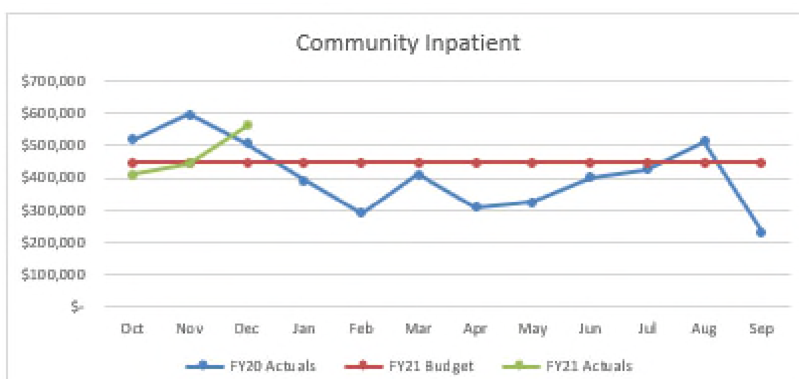
The CLS graph below represents the FY21 Actuals, which is the amount of actual claims processed and paid at the date this report was prepared. A substantial number of claims have yet to be processed for the first quarter and therefore an accrual of $800,000 has been added to the financial reports to account for the anticipated claims.

	FY20 Actuals	FY21 Budget	FY21 Actuals	YTD % Change
Oct	$ 2,290,691	$ 2,335,165	$ 2,419,989	5.64%
Nov	2,198,453	2,335,165	2,192,817	2.75%
Dec	2,269,119	2,335,165	1,657,249	-7.22%
Jan	2,287,654	2,335,165		
Feb	2,166,793	2,335,165		
Mar	2,276,977	2,335,165		
Apr	2,436,420	2,335,165		
May	2,535,453	2,335,165		
Jun	2,462,540	2,335,165		
Jul	2,518,980	2,335,165		
Aug	2,486,795	2,335,165		
Sep		2,335,165		



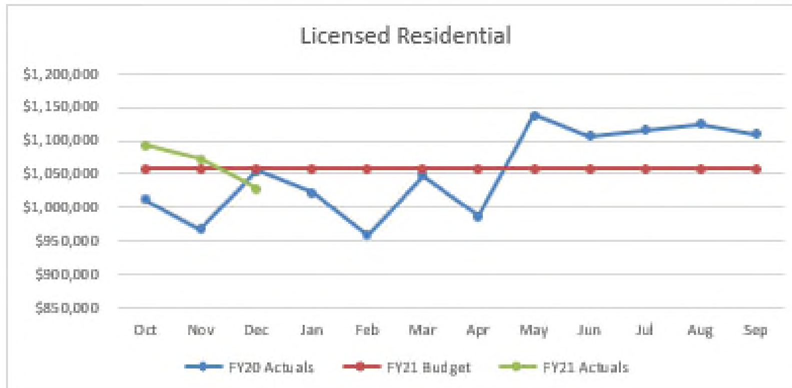
b. Community Inpatient costs to date are $1.4 Million. The costs year to date are 5.42% more than last year as of December 2019. This is $72,000 over the budget.

	FY20 Actuals	FY21 Budget	FY21 Actuals	YTD % Change
Oct	$ 518,019	$ 447,917	$ 411,150	-20.63%
Nov	595,144	447,917	444,907	-23.10%
Dec	506,426	447,917	560,543	-12.53%
Jan	393,137	447,917		
Feb	290,304	447,917		
Mar	411,873	447,917		
Apr	310,948	447,917		
May	323,671	447,917		
Jun	402,174	447,917		
Jul	426,500	447,917		
Aug	512,121	447,917		
Sep	231,717	447,917		



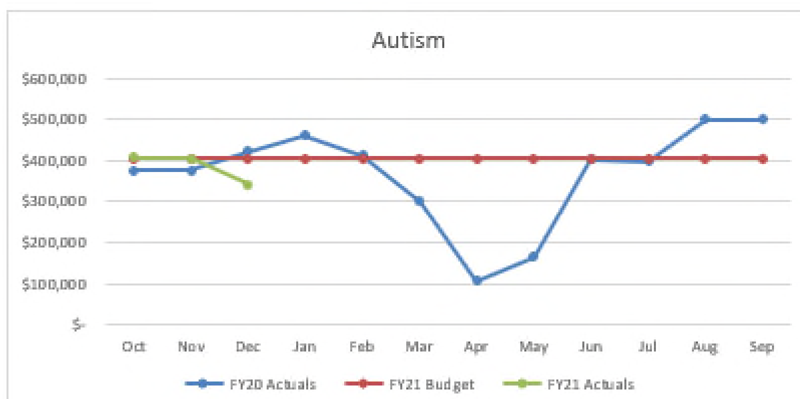
c. Licensed Residential costs to date are $3.1 Million. The costs year to date are .64% more than last year as of December 2019. This is $20,000 over the budget. The temporary $2 per hour direct care worker increase is reflected in the FY21 Budget and FY21 Actuals below. The temporary increase has been extended through December 2020.

	FY20 Actuals	FY21 Budget	FY21 Actuals	YTD% Change
Oct	$ 1,011,548	$ 1,058,350	$ 1,093,095	8.06%
Nov	968,709	1,058,350	1,073,263	9.40%
Dec	1,055,503	1,058,350	1,028,927	5.25%
Jan	1,022,251	1,058,350		
Feb	959,842	1,058,350		
Mar	1,047,035	1,058,350		
Apr	987,543	1,058,350		
May	1,137,635	1,058,350		
Jun	1,106,832	1,058,350		
Jul	1,114,786	1,058,350		
Aug	1,124,986	1,058,350		
Sep	1,109,577	1,058,350		



d. Applied Behavior Analysis/Autism service costs to date are $1.1 Million. The costs year to date are 5.11% less than last year as of December 2019. This is $62,000 less the budget.

	FY20 Actuals	FY21 Budget	FY21 Actuals	YTD% Change
Oct	$ 377,299	$ 405,991	$ 408,109	8.17%
Nov	376,345	405,991	404,662	7.85%
Dec	421,658	405,991	342,956	-1.67%
Jan	461,206	405,991		
Feb	412,563	405,991		
Mar	301,850	405,991		
Apr	107,090	405,991		
May	165,001	405,991		
Jun	404,100	405,991		
Jul	397,582	405,991		
Aug	500,967	405,991		
Sep	500,694	405,991		



e. Internal staffing expenses are trending under budget due to medical benefit savings for the first quarter and difficulty recruiting for budgeted vacant positions.

f. A significant amount of General Fund is used to supplement Medicaid deductibles for our consumers on a spend-down. The amount spent through December 2020 is $39,000.

4. **PIHP Revenue Key Points**

   a. Medicaid and Healthy Michigan Plan revenues are collected from the PIHP.
   b. By funding source, Medicaid is showing a surplus of $2.8 Million through December.
   c. By funding source, HMP is showing a surplus of $118,000 through December.
   d. Combined, the PIHP surplus is $2.9 Million through December.

5. **State General Fund Key Points**

   a. General Fund programs and funding redirected to other Risk-Based programs is showing a surplus of $304,000.

6. **Local Key Points**

   a. The majority of Local Funding comes from Washtenaw County.

   b. Local Funds are showing a surplus of $21,000 through December 2020.

   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 currently has no fund balance available for fiscal year 2021.

Washtenaw County Community Mental Health
FINANCIAL PERFORMANCE BY FUND SOURCE
DEC 2020 FYTD

		Total
Medicaid **		
Revenue		
B & B3	$	12,495,614.54
HSW		6,148,614.53
Child Waiver/SED Waiver		231,482.90
Autism		1,164,460.22
Prior Year Adjustments		-
Care for Caid		-
Total Medicaid Revenue	$	20,040,172.19
Total Medicaid Expense	$	17,213,136.39
Medicaid Surplus/(Deficit)	$	2,827,035.80

Healthy Michigan **		
Revenue	$	1,438,999.50
Expense		1,320,297.54
Healthy MI Surplus/(Deficit)	$	118,701.96

General Fund		
Revenue		
CMH Operations	$	968,106.00
CMH Operations Contra		-
GF Carryforward		-
Categorical		-
Redirect To Injectable Meds.		(28,638.24)
Funding Fr. Other Local Sources		(1,560.15)
Total General Fund Revenue	$	937,907.61
Total General Fund Expense	$	633,078.11
General Fund Surplus/(Deficit)	$	304,829.50

Injectable Meds		
Revenue	$	28,638.24
Expense		28,638.24
Inj. Meds. Surplus/(Deficit)	$	-

Grants And Contracts		
Revenue	$	253,671.30
Expense		253,671.30
Grants & Cont. Surplus/(Deficit)	$	-

Washtenaw County Community Mental Health
FINANCIAL PERFORMANCE BY FUND SOURCE
DEC 2020 FYTD

		Total
CMHSP To CMHSP		
Revenue	$	143,615.63
Redirect to GF		1,560.15
Expense		145,175.78
CMHSP to CMHSP Surplus/(Deficit)	$	-
Local		
Revenue	$	386,562.93
Expense		365,102.87
Local Surplus/(Deficit)	$	21,460.06
Private Grant & All NOR		
Revenue	$	62,403.08
Expense		62,403.08
Priv. Grant & NOR Surplus/(Deficit)	$	(0.00)
Grand Total		
Revenue	$	23,311,173.61
Expense		20,039,146.29
Grand Total Surplus/(Deficit)	$	3,272,027.32

** Denotes PIHP Medicaid Subcontracting Agreement Funds

PIHP Medicaid Surplus/(Deficit)	$	2,945,737.76
WCCMH Surplus/(Deficit)	$	326,289.56
	$	3,272,027.32

Washtenaw County Community Mental Health
Budget to Actuals
For Three Months Ending December 31, 2020

	Current Fiscal Year				
	FY 2021 Amended Budget	FY 2021 Amended Budget YTD	FY 2021 YTD Actuals	YTD Actuals Over/(Under) YTD Budget	% O(U)
Operating Revenue					
PIHP Revenue					
Medicaid Capitation:					
Medicaid (b) & 1115i	$ 42,789,402	$ 10,697,351	$ 10,816,488	$ 119,137	1.11%
HSW	24,902,700	6,225,675	6,148,615	(77,060)	-1.24%
Children & SED Waivers	894,097	223,524	231,483	7,959	3.56%
Healthy Michigan Capitation	5,755,998	1,439,000	1,439,000	-	0.00%
Autism Capitation	4,657,841	1,164,460	1,164,460	(0)	0.00%
CARES Act DCW	1,679,127	419,782	1,679,127	1,259,345	300.00%
TOTAL PIHP Revenue	$ 80,679,165	$ 20,169,791	$ 21,479,171	$ 1,309,380	6.49%
MDHHS Revenue					
State General Funds	$ 3,872,431	$ 968,108	$ 968,106	$ (2)	0.00%
Grants & Earned Contracts	1,779,812	444,953	284,205	(160,748)	-36.13%
All Other Revenue					
County Appropriation	$ 1,748,770	$ 437,193	$ 223,524	$ (213,669)	-48.87%
Project Revenue	782,545	195,636	158,947	(36,689)	-18.75%
All Other	1,917,652	479,413	466,637	(12,776)	-2.66%
TOTAL Operating Revenue	**$ 90,780,375**	**$ 22,695,094**	**$ 23,580,591**	**$ 885,497**	3.90%
Operating Expenses					
Administrative Expenses					
General Administration	$ 5,624,552	$ 1,406,138	$ 1,129,105	$ (277,033)	-19.70%
Program Administration	3,304,826	826,207	591,527	(234,679)	-28.40%
Residential Services					
Community Living Supports	$ 28,021,975	$ 7,005,494	$ 7,287,064	$ 281,570	4.02%
Licensed Residential	12,700,200	3,175,050	3,195,285	20,235	0.64%
Outpatient Services					
Autism Services	$ 4,871,892	$ 1,217,973	$ 1,155,728	$ (62,245)	-5.11%
Case Management	5,221,985	1,305,496	912,034	(393,462)	-30.14%
Supports Coordination	2,535,741	633,935	466,314	(167,621)	-26.44%
Skill Building	4,256,172	1,064,043	458,923	(605,120)	-56.87%
Supported Employment	1,364,871	341,218	311,338	(29,880)	-8.76%
Psychiatry	2,770,122	692,531	547,822	(144,709)	-20.90%
Nursing Services	2,353,003	588,251	415,659	(172,591)	-29.34%
Therapy Services	1,875,621	468,905	358,620	(110,286)	-23.52%
All Other	7,441,765	1,860,441	1,423,042	(437,399)	-23.51%
Other Expenses					
Community Inpatient	$ 5,375,000	$ 1,343,750	$ 1,416,600	$ 72,850	5.42%
Local Matches & Shelter	1,282,838	320,710	355,299	34,589	10.79%
Grants & Earned Contracts	1,779,812	444,953	284,205	(160,748)	-36.13%
TOTAL Operating Expenses	**$ 90,780,375**	**$ 22,695,094**	**$ 20,308,564**	**$ (2,386,530)**	-10.52%
Revenue Over/(Under) Expenses	-	-	3,272,027	3,272,027	

Washtenaw County Community Mental Health
Budget to Actuals
For Three Months Ending December 31, 2020

	Prior Year Comparison			
	FY 2021 YTD Actuals	FY 2020 Prior YTD Actuals	YTD Actuals Over/(Under) Prior YTD Actuals	% O(U)
Operating Revenue				
PIHP Revenue				
Medicaid Capitation:				
Medicaid (b) & 1115i	$ 10,816,488	$ 9,900,792	$ 915,696	9.25%
HSW	6,148,615	5,510,750	637,865	11.57%
Children & SED Waivers	231,483	140,727	90,756	64.49%
Healthy Michigan Capitation	1,439,000	1,141,433	297,567	26.07%
Autism Capitation	1,164,460	1,146,451	18,009	1.57%
CARES Act DCW	1,679,127	-	1,679,127	
TOTAL PIHP Revenue	$ 21,479,171	$ 17,840,153	$ 3,639,018	20.40%
MDHHS Revenue				
State General Funds	$ 968,106	$ 877,451	$ 90,655	10.33%
Grants & Earned Contracts	284,205	375,626	(91,421)	-24.34%
All Other Revenue				
County Appropriation	$ 223,524	$ 252,915	$ (29,391)	-11.62%
Project Revenue	158,947	157,210	1,737	1.11%
All Other	466,637	529,770	(63,133)	-11.92%
TOTAL Operating Revenue	**$ 23,580,591**	**$ 20,033,125**	**$ 3,547,466**	17.71%
Operating Expenses				
Administrative Expenses				
General Administration	$ 1,129,105	$ 1,427,383	$ (298,278)	-20.90%
Program Administration	591,527	708,343	(116,816)	-16.49%
Residential Services				
Community Living Supports	$ 7,287,064	$ 6,670,082	$ 616,982	9.25%
Licensed Residential	3,195,285	3,035,760	159,525	5.25%
Outpatient Services				
Autism Services	$ 1,155,728	$ 1,175,302	$ (19,575)	-1.67%
Case Management	912,034	1,090,245	(178,211)	-16.35%
Supports Coordination	466,314	522,158	(55,845)	-10.69%
Skill Building	458,923	1,537,097	(1,078,174)	-70.14%
Supported Employment	311,338	493,051	(181,713)	-36.85%
Psychiatry	547,822	662,817	(114,995)	-17.35%
Nursing Services	415,659	507,514	(91,855)	-18.10%
Therapy Services	358,620	423,025	(64,406)	-15.23%
All Other	1,423,042	1,627,788	(204,746)	-12.58%
Other Expenses				
Community Inpatient	$ 1,416,600	$ 1,619,589	$ (202,989)	-12.53%
Local Matches & Shelter	355,299	324,129	31,170	9.62%
Grants & Earned Contracts	284,205	352,951	(68,746)	-19.48%
TOTAL Operating Expenses	**$ 20,308,564**	**$ 22,177,237**	**$ (1,868,674)**	-8.43%
Revenue Over/(Under) Expenses	3,272,027	(2,144,112)	5,416,139	

Washtenaw County Community Mental Health (WCCMH)
Summarized Month End Tracking

Prior Year FY 2020	October	November	December	January	February	March	April	May	June	July	August	September
Total Revenue	$ 6,420,879	$ 12,762,586	$ 19,557,248	$ 27,034,137	$ 33,790,813	$ 41,347,119	$ 48,354,984	$ 55,979,589	$ 64,750,232	$ 72,489,244	$ 80,554,716	
Total Expense	$ 7,061,564	$ 13,824,563	$ 21,701,361	$ 28,573,303	$ 35,391,004	$ 42,808,785	$ 49,403,569	$ 56,153,455	$ 63,224,817	$ 70,893,620	$ 77,864,354	
Surplus / (Deficit)	$ (640,685)	$ (1,061,977)	$ (2,144,113)	$ (1,539,166)	$ (1,600,191)	$ (1,461,666)	$ (1,048,585)	$ (173,866)	$ 1,525,415	$ 1,595,624	$ 2,690,362	$ -

Current Year FY 2021	October	November	December	January	February	March	April	May	June	July	August	September
Total Revenue	$ 7,755,401	$ 15,310,244	$ 23,580,591									
Total Expense	$ 6,390,300	$ 13,468,771	$ 20,308,564									
Surplus / (Deficit)	$ 1,365,101	$ 1,841,473	$ 3,272,027	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Executive Director Contract Authorizations
February 2021 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
Thryve, LLC	$4,000	11/1/2020-12/31/2020	Healing the Wounds of Racial Trauma Trainings	11/20/2020
Washtenaw Office for Community and Economic Development (OCED)	$15,000	1/1/2021-9/30/2021	Homeless Diversion Funds (Millage)	

Recommendation: Acceptance

WCCMH Follow-Up From 1/11/21 Balance Sheet Presentation

Finance Committee

February 8, 2021

Total Regional Deficit

Medicaid Cost- Settlement for FY 2018 & FY 2019

TOTAL Regional Medicaid Deficit for FY 2018 & FY 2019
$25,825,218

Total Due from MDHHS (shared risk)	Remaining Total Due (not shared risk)
$11,051,373	$14,773,845

FY 18	$7,517,412	FY 18	$443,818
FY 19	$3,533,961	FY 19	$14,330,027

Due To Washtenaw

Medicaid Cost- Settlement for FY 2018 & FY 2019

TOTAL Due To Washtenaw FY 2018 & FY 2019
$15,147,346

Total Due from MDHHS (shared risk)	Remaining Total Due (not shared risk)
$6,437,779	$8,709,568

FY 18	$4,382,157	FY 18	$321,076
FY 19	$2,055,622	FY 19	$8,388,491

How does this all add up?

Total due to Washtenaw from MDHHS/PHIP: $15.1M

Amount reflected on the Balance Sheets: $12.4M

Difference is the use of WCCMH Fund Balance (local dollars)
to cover Medicaid deficit at the close of FY 2018: $2.7M

How does this all add up?

At the closeout of FY 2018, the County and CMH had to deal with a Medicaid deficit of nearly $6.8M. This was after all available PIHP resources were recognized which brought the deficit down from $7.5M.

After the WCCMH Fund Balance was applied, the County then contributed over $3.5M in their general funds to cover the Medicaid deficit. A small deficit remained in the CMH Fund which the County appropriated general funds to cover in FY 2019.

CMH Fund Audited Balance Sheet as of 9/30/2018

WASHTENAW COUNTY COMMUNITY MENTAL HEALTH FUND

Balance Sheet

September 30, 2018

Assets	
Cash and investments	$ 4,376,411
Receivables, net	1,237,326
Due from other governments:	
Community Mental Health Partnership of Southeast Michigan	5,299,282
Michigan Department of Health and Human Services	290,634
Total assets	$ 11,203,653
Liabilities	
Accounts payable	$ 5,382,143
Accrued payroll	1,723,990
Due to other governments:	
Community Mental Health Partnership of Southeast Michigan	35,963
Michigan Department of Health and Human Services	136,484
Unearned revenue	4,309,868
Total liabilities	11,588,448
Fund balance	
Unassigned (deficit)	(384,795)
Total liabilities and fund balance	$ 11,203,653

How does this all add up?

At the closeout of FY 2019, the County and CMH had to deal with a Medicaid deficit of $8M. This was after all available PIHP resources were recognized which brought the deficit down from $10.4M.

The County submitted a deficit elimination plan to the Department of Treasury and the deficit remains reflected in the CMH Fund.

The plan includes a contribution from the County of $2M each year from the for the next 4 years.

CMH Fund Audited Balance Sheet as of 9/30/2019

WASHTENAW COUNTY COMMUNITY MENTAL HEALTH FUND

Balance Sheet

September 30, 2019

Assets	
Receivables, net	$ 1,648,126
Due from other governments:	
Community Mental Health Partnership of Southeast Michigan	14,503,589
Michigan Department of Health and Human Services	223,962
Total assets	$ 16,375,677
Liabilities	
Negative equity in cash and pooled investments	$ 4,203,575
Accounts payable	5,260,959
Accrued payroll	2,152,644
Due to other governments:	
Community Mental Health Partnership of Southeast Michigan	144,668
Michigan Department of Health and Human Services	224,869
Unearned revenue	12,443,030
Total liabilities	24,429,745
Fund balance	
Unassigned (deficit)	(8,054,068)
Total liabilities and fund balance	$ 16,375,677

County Expectations

FY 2018 Cost Settlment

A Medicaid deficit of $6.8M existed at CMH during the closeout of FY 2018.

After the CMH Fund Balance of $2.7M was applied to this deficit, there was a remaining $4.1M that the County allocated their General Funds to cover.

Resolution 19-065 dated April 17, 2019 allocated $3,696,365 to the deficit.

Resolution 19-109 dated June 5, 2019 allocated the remaining $384,795.

Both resolutions include the following:

WHEREAS, the General Fund will be reimbursed for the mental health expenditures if the State reimburses any portion of the Mental Health Shared Risk corridor expenses for 2018 and beyond; and

Due To Washtenaw

Medicaid Cost- Settlement for FY 2018 & FY 2019

TOTAL Due To Washtenaw FY 2018 & FY 2019
$15,147,346

Total Due from MDHHS (shared risk)	Remaining Total Due (not shared risk)
$6,437,779	$8,709,568

FY 18	$4,382,157	FY 18	$321,076
FY 19	$2,055,622	FY 19	$8,388,491

***** When this $4.3M is collected, the expectation of the County is that these funds will be returned to them per the previous slide.**

County Expectations

FY 2018 Cost Settlment

The collection of the FY 2018 shared risk portion of the cost settlement will reduce the amount Due from MDHHS on the Balance Sheet, but it will not impact the overall negative Fund Balance that exists in the CMH Fund.

Once MDHHS sends the PIHP the FY 2018 cost settlement, the PIHP will send WCCMH $4.3M and WCCMH will in-turn send $4.1M of that to the County for repayment of the amounts identified in the Resolutions 19-065 & 19-109.

When this happens, WCCMH will then be “clear” of any FY 2018 obligations to the County.

WCCMH Fund Balance

CMH Fund Balance at 9/30/2019	$ (8,054,068)
County deficit elimination plan payment 2020	$ 2,013,517
Current CMH Fund Balance FY 2020	$ (6,040,551)
Potential FY 2020 Medicaid surplus can be recognized in FY 2020 and reduce fund deficit	$ +

***** The County's expectation is that any available funds to reduce the amount of deficit in the CMH Fund be used for that purpose** (not including $4.1M FY18 shared risk)**. If Medicaid surplus funds are used for this purpose, the County's obligation to the deficit elimination plan can reduced.**