



DWIHN
Your Link to Holistic Healthcare

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2023

Detroit Free Press

Detroit Wayne Integrated Health Network

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**Finance Committee Meeting
DWIHN Administration Building
1st Floor Boardroom
8726 Woodward Avenue
Detroit, MI 48202
Wednesday, June 5, 2024
1:00 p.m.
AGENDA**

- I. Call to Order**
- II. Roll Call**
- III. Committee Member Remarks**
- IV. Approval of Agenda**
- V. Follow-Up Items**
- VI. Approval of Minutes – May 1, 2024**
- VII. Presentation of the Monthly Finance Report**
- VIII. FY25 Budget Submission Timeline**
- IX. Unfinished Business:**
Staff Recommendations:
 - a. Board Action #21-73 (Revised) – 123.Net Fiber Internet Services
 - b. Board Action #22-50 (Revised) – Rehmann Robson CPAs & Consultants
 - c. Board Action #24-07 (Revision 6) – FY 2023-2024 DWIHN Operating Budget
- X. New Business:**
Staff Recommendations: **None**
- XI. Good and Welfare/Public Comment**
Members of the public are welcome to address the Board during this time for no more than two minutes. (The Board Liaison will notify the Chair when the time limit has been met.) Individuals are encouraged to identify themselves and fill out a comment card to leave with the Board liaison; however, those individuals that do not want to

Board of Directors

Dr. Cynthia Taueg, Chairperson
Karima Bentounsi
Jonathan C. Kinloch

Kevin McNamara, Vice Chairperson
Angela Bullock
Bernard Parker

Dora Brown, Treasurer
Lynne F. Carter, MD
William Phillips

Eva Garza Dewaelsche, Secretary
Angelo Glenn
Kenya Ruth

Eric W. Doeh, President and CEO



identify themselves may still address the Board. Issues raised during Good and Welfare/Public Comment that are of concern to the general public and may initiate an inquiry and follow-up will be responded to and may be posted to the website. Feedback will be posted within a reasonable timeframe (information that is HIPAA related or of a confidential nature will not be posted but rather responded to on an individual basis).

XII. Adjournment

FINANCE COMMITTEE

MINUTES

MAY 1, 2024

1:05 P.M.

8726 WOODWARD
DETROIT, MI 48202
(HYBRID/ZOOM)

MEETING CALLED BY	Ms. Dora Brown, Chair called the meeting to order at 1:15 p.m.
TYPE OF MEETING	Finance Committee Meeting
FACILITATOR	Ms. Dora Brown, Chair
NOTE TAKER	Ms. Nicole Smith, Finance Management Assistant
ATTENDEES	<p>Finance Committee Members Present: Ms. Dora Brown, Chair Mr. Kevin McNamara, Vice Chair Ms. Karima Bentounsi Ms. Eva Garza Dewaelsche Mr. Angelo Glenn Ms. Kenya Ruth</p> <p>Committee Members Excused: None</p> <p>Board Members Present: Commissioner Jonathan C. Kinloch</p> <p>Board Members Attending Virtually: Dr. Cynthia Taueg, Board Chair</p> <p>SUD Oversight Policy Board Members Attending Virtually: Ms. Thomas Adams</p> <p>Board Members Excused: None</p> <p>Staff: Ms. Stacie Durant, VP of Finance; Mr. Eric Doeh, President; Mr. Manny Singla, Executive VP of Operations; Dr. Shama Faheem, Chief Medical Officer; Ms. Monifa Gray, Associate VP of Legal Affairs; Ms. Sheree Jackson, VP of Corporate Compliance; Ms. Brooke Blackwell, VP of Governmental Affairs and Chief of Staff; Mr. Keith Frambro, Associate VP of IT Services; Mr. Jody Connally, VP of Human Resources, Mike Maskey, VP of Facilities; Ms. Tiffany Devon, Director of Communications; Ms. Toni Jones, Supervisor of Auditing, and Ms. Dhannetta Brown, Associate VP of Finance</p> <p>Staff Attending Virtually: Ms. Jean Mira, Procurement Administrator</p> <p>Guests: Ms. Alisha Watkins, Partner and Mr. Tyler Luce, Manager</p>

AGENDA TOPICS

I. **Roll Call** Ms. Lillian Blackshire, Board Liaison

II. Roll Call

Roll Call was taken by Ms. Lillian M. Blackshire, Board Liaison and a quorum was present.

III. Committee Member Remarks

The Chair, Ms. Brown called for Committee member remarks. There were no committee remarks.

IV. Approval of Agenda

The Chair, Ms. Brown called for a motion on the agenda. Motion: It was moved by Ms. Ruth and supported by Ms. Bentounsi approval of the agenda. There were no changes or modifications requested to the agenda. **Motion carried.**

V. Follow-up Items

The Chair called for any follow-up item. There were no follow-up items.

VI. Approval of the Meeting Minutes

The Chair, Ms. Brown called for a motion on the Finance Committee minutes from the meeting of Wednesday, March 6, 2024 & April 3, 2024. **Motion:** It was moved by Ms. Ruth and supported by Ms. Garza Dewaelsche to approve the minutes of March 6, 2024 and April 3, 2024. There was no further discussion. **Motion carried.**

VII. Presentation of FY23 Financial Statement, Single Audit and Compliance Examination Reports – Plante Moran

The Chair called for the Report of the Auditors. A hard copy of the Compliance Examination; the Financial Report with Supplemental Information, the Federal Awards Supplemental Information and the AU260 Letter was provided to the Board and in the Finance Committee agenda packet. Ms. S. Durant, VP of Finance thanked Ms. Toni Jones, Supervisor of Auditing and Ms. Dhannetta Brown, Associate VP of Finance for their hard work. An overview was provided of the Single Audit which is an audit of our Federal Funds that are received either directly or indirectly from the Federal Government. Oftentimes the State is usually a pass through of Federal funds and this is the audit of the Federal awards.

The financial statement audit is dictated by the Department of Treasury which requires organizations to submit an audit within six months after their fiscal year and our fiscal year end is September thirtieth. Therefore, the audit is due to the Treasury by March 31st.

The final audit is the Compliance Examination which is dictated by our CM and with the State of Michigan's Department of Health and Human Services. The Auditors that will be presenting today are from Plante Moran and will be Ms. Alicia Watkins and Mr. Tyler Luce.

The Auditors thanked the DWIHN Finance Team for their work in assisting, collaboration, and professionalism with the Audit. Ms. Watkins explained the responsibilities of the audit, their communication with governance and noted that they would provide highlights of the financial results for the year ended September 30, 2023. It was reported that there were no findings to the internal controls, deficiencies, compliance, and regulatory requirements and that it was very difficult to achieve that result with one audit let alone three audits.

Mr. Luce reported on the Financial Report with Supplemental Information. Mr. Luce highlighted the Independent Auditor's Report and noted the report was given an unmodified or a clean opinion which is the highest level of assurance that they can issue on a set of financial statements. He also noted that the letter highlighted the responsibilities of both management and the auditors. The Statement of net position as of September 30, 2023 was covered and it was noted that this

was a very strong financial result in terms of working capital. The organization has \$263 million dollars in current assets to cover its \$177 million dollars of current liabilities. The amounts in the cash and investments receivables balances were covered. Discussion ensued regarding the current year and prior year financials and trends. The liabilities were discussed along with him noting that in their testing, the liabilities continue to be liquid and are paid off in a timely manner. The non-current asset balances were highlighted along with the restricted cash and it was noted that this cash was required to be set aside by the bank in accordance with the loan requirements that is related to the construction loans for the administrative building as well as the new Care Center. Depreciation, capital assets, notes payable, amortized debt, capital assets, net investment, and the significant improvement in net position were all covered as well as the revenue received from the Michigan Department of Health and Human Services. It was noted that total operating revenue for the year was almost \$1.1 billion dollars, most of this was made up of State grants and contracts. Discussion ensued regarding the liquidity ratio and what makes up a positive ratio. There was no further discussion on the Financial Statements.

The Federal Awards Supplemental Information audit was reported on by Mr. Luce. The Schedule of Expenditures of Federal Awards was highlighted, and it was noted that this was all of the dollars that were expended that came from a federal source for fiscal 2023. The Schedule of Findings and Questioned Costs was covered, and it was noted that this gives an overview of the results for both the financial statement audit and the single audit. Discussion ensued regarding DWIHN being a low-risk audit.

The Summary of the Accountant's results was covered in the Compliance Audit which provided an overview. It was reported that there were no concerns, there were no exceptions, and it is the responsibility of the Auditors to report that there were no disagreements or difficulties in conducting the audit.

The board thanked Plante Moran for their good work and continuing to work with Detroit Wayne Integrated Health Network as it got through some difficult times and that they are pleased with the results. Ms. Durant thanked the entire organization for their hard work and the Auditors and the Board congratulated Ms. Durant and her team on a job well done.

The Chair called for a motion. **Motion:** It was moved by Ms. Ruth and supported by Mr. Glenn to move the FY23 Financial Statement, the Single Audit and the Compliance Examination Reports to Full Board for approval. There was no further discussion. **Motion carried.**

VIII. Presentation of the Monthly Finance Report

S. Durant, VP of Finance presented the Monthly Finance report. A written report for the five months ended March 31, 2024, was provided for the record. The DWIHN Finance accomplishments and noteworthy items to report were:

Cash and Investments – comprise of funds held by three (3) investment managers, First Independence CDARS, Comerica, Huntington Bank, and Flagstar accounts. This amount includes the \$21.9 million cash held in collateral for the two building loans.

Due from other governments – comprise various local, state and federal amounts due to DWIHN. Approximately \$10.0 million in SUD and MH block grant due from MDHHS. Approximately \$22.9 million for 1st and 2nd quarter pass-through HRA revenue. Finally, \$9.5 million due from MDHHS related to FY23 PBIP and CCBHC cost settlement.

Accounts receivable/Allowance - Accounts receivable consist of approximately \$3.8 million is due from ICO's for reimbursement of state facility costs paid by DWIHN. Approximately \$2.6 million for estimated 2nd quarter PA2 and the remaining balance Wayne County 1st

quarter actual PA2 for \$500,000 in addition to \$1.5 million for the WC match payment for March 2024; amounts due from various providers \$1.3 million.

IBNR Payable – represents incurred but not reported (IBNR) claims from the provider network; historical average claims incurred through March 31, 2024, was approximately \$429.9 million however actual payments were approximately \$370.5 million. The difference represents claims incurred but not reported and paid of \$59.4 million.

Due to other governments – includes \$1.1 million due to MDHHS for death recoupment. In addition, there is approximately \$2.0 million payable to MDHHS for state hospitals and \$2.9 million 2nd quarter IPA tax payment. MDHHS reduced the March payment by \$3.5 million and will reduce the June payment for the remaining balance for the death audit recoupment.

State grants and contracts– The variance relates primarily to Medicaid funding received more than budget (\$39 mm) however refer to letter “G” as expenses are \$42.9 million higher than budget. The net amount of revenue/expenses are within budget.

Autism, Children, Adults, and IDD services - \$42.9 million variance more than budget is due to timing and increased expenses as compared to budget.

There was no further discussion. The Finance Monthly Report was received and filed.

IX. FY24 2nd Quarter Board Purchasing Report for Non-Competitive under \$50,000 and all Cooperative Purchasing

The 2nd Quarter Procurement Report was presented by Ms. J. Mira, Procurement Administrator. The written report was provided to the Finance Committee and was included in the agenda packet for informational purposes. Noteworthy information includes purchasing percentages: Contract Percentage for Wayne County is 14.48% and Out of County is 85.52%; Funding Percentage w/o IT for Wayne County is 55.11% and Out of County is 44.89%. The 2nd Quarter total for under 50K or Cooperative purchasing is \$1,215,860.28. The Wayne County total is \$139,583.30 and the IT total is \$935,462.42 There was no further discussion. The FY24 2nd Quarter Procurement Report was received and filed.

X. Unfinished Business – Staff Recommendations:

a. Board Action #24-07 (Revision 5) – FY 2023-2024 DWIHN Operating Budget. S.

Durant, VP of Finance Department reporting. Board approval is requested to certify additional revenues totaling \$1,267,540 and authorize expenditures of a like amount as noted below: Additional Block Grant Treatment funding of \$99,000 for the Tobacco-Free Policy Pilot Project. Additional funding from MDHHS totaling \$680,540:

\$86,540 for the Infant and Early Childhood Mental Health Consultation and Home Visiting programs. \$594,000 allocation for the Assisted Outpatient Treatment Foundation Strengthening Initiative; \$488,000 City of Detroit ARPA funds to provide CIT training to DPD employees not current in Mental Health First Aid certification. The board action also includes the use of \$1,504,880 of Medicaid Reserve funds to support the following changes to salaries and benefits: Direct Services: Reclassification of four (4) vacant part-time positions to fund three (3) full time positions: (1) FTE Psychiatrist, (1) FTE Case Manager and (1) FTE Office Manager - \$478,136 including fringes. Pay grade and rate adjustments for Clinical Specialists, SUD Call Center Technicians, Mobile Crisis Managers, and Care Center Behavioral Health Technicians to align with similar positions across DWIHN departments – \$404,182, including fringes. New positions totaling \$548,029, Position reclasses, promotions, and salary increases for existing employees totaling \$74,533, including fringes. The Chair called for a motion. **Motion:** It was moved by Mr. Glenn and

supported by Ms. Ruth approval of BA #24-07 (Revision 5) to Full Board. There was no further discussion. **Motion carried.**

b. Board Action #24-18 (Revised) – PCE – MHWIN Additional Modules. Mr. K. Frambo, Associate VP of IT reporting. This board action is requesting the approval for an additional for an additional \$562,200 for the Peter Chang Enterprises contract ending September 30, 2026. The revision will allow for the creation of several new modules in MHWIN that will allow DWIHN to conduct direct services, CCBHC, monitor member spenddown, AOT and the self-service portal for the DWIHN mobile app. The contract amount approved on the original Board Action (BA24-18) totaled \$3,651,819. Additional funds: \$562,200 one-time implementation costs of \$249,000; monthly payments of \$10,800 for 29 months (\$313,200) The new contract total through September 30, 2026 shall not exceed \$4,214,019. The Chair called for a motion. **Motion:** It was moved by Mr. Glenn and supported by Ms. Ruth approval of BA #24-18 (Revised) to Full Board. There was no further discussion. **Motion carried.**

XII. New Business – Staff Recommendations: None

XIII. Good and Welfare/Public Comment – The Chair read the Good and Welfare/Public Comment statement. There were no members of the public requesting to address the committee.

XII. Adjournment – There being no further business; The Chair, Ms. Brown called for a motion to adjourn. **Motion:** It was moved by Mr. McNamara and supported by Mr. Glenn to adjourn the meeting. **Motion carried.** The meeting was adjourned at 1:56 p.m.

FOLLOW-UP ITEMS

None

**DWIHN Division of Management and Budget
Monthly Finance Report
For the seven months ended April 30, 2024**

DWIHN Finance accomplishments and noteworthy items:

In accordance with Michigan law, DWIHN is requesting a revision to the Credit Card Policy. Revisions are red lined in the attached document. The primary change is the inclusion of miscellaneous fees and goods under \$500 before taxes, excluding electronic devices.

Financial analysis- (refer to Authority balance sheet and income statement)

- Cash flow is very stable and should continue to remain strong throughout the year as liquidity ratio = 2.29.

	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR
DWIHN	2.72	3.07	2.56	2.53	2.53	2.44	2.44	2.35	2.66	2.72	2.48	2.29

- (A) Cash and Investments – comprise of funds held by three (3) investment managers, First Independence CDARS, Comerica, Huntington Bank, and Flagstar accounts. This amount includes the \$21.9 million cash held in collateral for the two building loans.
- (B) Due from other governments – comprise various local, state and federal amounts due to DWIHN. Approximately \$9.9 million in SUD and MH block grant due from MDHHS. Approximately \$32.0 million for 2nd quarter and April 2024 pass-through HRA revenue. Finally, \$6.8 million due from MDHHS related to FY23 PBIP.
- (C) Accounts receivable/Allowance - Approximately \$1.3 million for estimated 2nd quarter PA2; \$500,000 in accrued interest income; in addition, amounts due from various providers \$1.6 million.
- (D) IBNR Payable – represents incurred but not reported (IBNR) claims from the provider network; historical average claims incurred through April 30, 2024, was approximately \$504.6 million however actual payments were approximately \$437.3 million. The difference represents claims incurred but not reported and paid of \$67.3 million.
- (E) Due to other governments – includes \$1.1 million due to MDHHS for death recoupment that will be paid in June 2024. In addition, there is approximately \$.7 million payable to MDHHS for state hospitals and \$.9 million April IPA tax payment.
- (F) State grants and contracts– The variance relates primarily to \$28.7 million in HRA revenue received more than budget. Refer to budget adjustment to increase revenue and pass through expenses. IN addition, Medicaid funding received more than budget (\$41.4 mm) however refer to letter “G” as expenses are \$43.9 million higher than budget. Refer to the budget adjustment.
- (G) Autism, Children, Adults, and IDD services - \$72.5 million variance more than budget is due to 28.7 million related to the HRA pass through; refer to budget adjustment. The variance of \$43.8 million is due to additional expenses incurred compared to the budget. Refer to budget adjustment.

DETROIT WAYNE INTEGRATED HEALTH NETWORK

Statement of Net Position

As of April 30, 2024

Assets

Cash and investments	\$ 194,513,992	A
Investments in Internal Service Fund	72,408,110	A
Receivables		
Due from other governmental units	48,779,004	B
Accounts receivable	3,840,201	C
Less: allowance for uncollectible	(73,424)	
Prepayments and deposits	369,098	
Total current assets	<u>319,836,981</u>	
Capital assets, net of accumulated depreciation	<u>55,363,970</u>	
Total Assets	<u><u>\$ 375,200,951</u></u>	

Liabilities and Net Position

Liabilities

Accounts payable	\$ 41,056,406	
IBNR Payable	67,263,807	D
Due to Wayne County	1,018,128	
Due to other governments	2,839,509	E
Accrued wages and benefits	1,368,441	
Unearned revenue	734,558	
Accrued compensated balances	2,119,980	
Total current liabilities	<u>116,400,829</u>	
Notes Payable	<u>17,168,434</u>	
Total Liabilities	<u><u>133,569,263</u></u>	
Net Position		
Net investment in capital assets	34,874,948	
Unrestricted - PA2 funds	9,330,007	
Restricted Cash Collateral	21,907,338	
Internal Service Fund	72,711,318	
Unrestricted	<u>102,808,077</u>	
Total Net Position	<u><u>241,631,688</u></u>	
Liabilities and Net Position	<u><u>\$ 375,200,951</u></u>	

DETROIT WAYNE INTEGRATED HEALTH NETWORK
Statement of Revenues, Expenses and Changes to Net Position
For the Seven Months Ending April 30, 2024

	April 2024			Year to Date			
	Budget	Actual	Variance	Budget	Actual	Variance	
Operating Revenues							
Federal grants	\$ 2,645,163	\$ 2,230,838	\$ (414,325)	\$ 18,516,141	\$ 16,554,144	\$ (1,961,997)	
State grants and contracts	78,219,080	104,969,600	26,750,520	547,533,560	614,495,682	66,962,122	F
Prior year Medicaid Savings	-	-	-	-	32,492,867	32,492,867	
MI Health Link	1,024,161	(3,069,303)	(4,093,464)	7,169,127	4,854,209	(2,314,918)	
Local grants and contracts	2,382,231	894,132	(1,488,099)	16,675,617	12,855,473	(3,820,144)	
Other charges for services	3,333	1,500	(1,833)	23,331	26,942	3,611	
Total Operating Revenues	84,273,968	105,026,767	20,752,799	589,917,776	681,279,317	91,361,541	
Operating Expenses							
Salaries	2,424,933	2,042,831	382,102	16,974,531	15,457,188	1,517,343	
Fringe benefits	917,151	794,214	122,937	6,420,057	6,208,421	211,636	
Substance abuse services	5,240,188	5,453,608	(213,420)	36,681,316	36,203,998	477,318	
Autism Services	5,905,014	7,757,357	(1,852,343)	41,335,098	53,597,519	(12,262,421)	G
MI HealthLink	1,023,328	841,352	181,976	7,163,296	6,994,455	168,841	
Adult Services	26,657,741	50,363,855	(23,706,114)	186,604,187	227,853,278	(41,249,091)	G
Children Services	5,631,415	5,064,196	567,219	39,419,905	35,637,164	3,782,741	G
Care Center	1,907,859	953,980	953,879	13,355,013	4,512,873	8,842,140	
Direct Services	434,911	349,835	85,076	3,044,377	2,002,506	1,041,871	
Intellectual Developmental Disabled	29,973,334	34,551,575	(4,578,241)	209,813,338	232,596,992	(22,783,654)	G
Grant Programs	948,827	597,023	351,804	6,641,789	3,396,448	3,245,341	
State of Michigan	1,723,533	1,434,332	289,201	12,064,731	10,215,693	1,849,038	
Depreciation	147,233		147,233	1,030,631	631,362	399,269	
Other operating	1,272,864	1,180,290	92,574	8,910,048	8,245,142	664,906	
Total Operating Expenses	84,208,331	111,384,448	(27,176,117)	589,458,317	643,553,039	(54,094,722)	
Operating Revenues over (under) Expenses	65,637	(6,357,681)	47,928,916	459,459	37,726,278	37,266,819	
Non-operating Revenues (Expenses)							
Investment Earnings	416,667	93,717	(322,950)	2,916,669	5,617,649	2,700,980	
Total Non-operating Revenues (Expenses)	416,667	93,717	(322,950)	2,916,669	5,617,649	2,700,980	
Change in Net Position	482,304	(6,263,964)	47,605,966	3,376,128	43,343,927	39,967,799	
Net Position - Beginning of year					198,287,761	198,287,761	
Net Position - End of Year	\$ 482,304	\$ (6,263,964)	\$ 47,605,966	\$ 3,376,128	\$ 241,631,688	\$ 238,255,560	

DETROIT WAYNE INTEGRATED HEALTH NETWORK

Statement of Cash Flows

For the Seven Months Ending April 30, 2024

Cash flows from operating activities	
Cash receipts from the state and federal governments	\$ 633,293,997
Cash receipts from local sources and customers	12,882,415
Payments to suppliers	(638,045,601)
Payments to employees	<u>(30,131,051)</u>
Net cash provided by (used in) operating activities	<u>(22,000,240)</u>
Cash flows from capital and related financing activities	
Acquisition of capital assets	(7,569,722)
Proceeds from notes payable	<u>4,868,581</u>
Net cash provided by (used in) capital and related financing activities	(2,701,141)
Cash flows from investing activities	
Interest received on investments	5,617,649
Proceeds from sale of assets	<u>-</u>
Net cash provided by investing activities	<u>5,617,649</u>
Net increase (decrease) in cash and cash equivalents	(19,083,732)
Cash and investments - beginning of period	<u>286,005,834</u>
Cash and investments - end of period	<u><u>\$ 266,922,101</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities	
Operating income (loss)	37,726,278
Adjustments to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation	661,566
Decreases (increases) in current assets:	
Accounts receivable	15,385,577
Prepayments and deposits	512,645
Due from other governmental units	(15,076,348)
Due from Wayne County	
Other assets	
Increases (decreases) in current liabilities:	
Accounts and contracts payable	(86,305,638)
IBNR Payable	67,263,807
Accrued wages	(1,181,524)
Due to Wayne County	1,018,128
Due to other governmental units	(6,592,597)
Unearned revenue	<u>(35,412,134)</u>
Net cash provided by (used in) operating activities	<u><u>\$ (22,000,240)</u></u>

POLICY

It is the policy of Detroit Wayne Integrated Health Network (DWIHN) to account for the proper usage of corporate credit cards for purposes of conducting DWIHN business. The Vice-President of Finance or his/her designee shall be responsible for the issuance, accounting, monitoring, and retrieval of all credit cards issued to the DWIHN, and in general for overseeing compliance with this policy.

PURPOSE

The purpose of this policy is to set guidelines for the use of a corporate credit card issued to Detroit Wayne Integrated Health Network (DWIHN). In addition, the relevant cardholders responsibility statement issued by the financial institution and the cardholders agreement govern the use of the corporate credit card.

APPLICATION

1. The following groups are required to implement and adhere to this policy: DWIHN Board, DWIHN Staff
2. This policy serves the following populations: Adults, Children, I/DD, SMI, SED, SUD, Autism
3. This policy impacts the following contracts/service lines: MI-HEALTH LINK, Medicaid, SUD, Autism, Grants, General Fund

KEYWORDS

None

STANDARDS

Background

Michigan Public Act 266 of 1995 became effective January 8, 1995 (Act). The Act authorizes the use of credit cards by local governments for appropriate expenses. The Act also sets specific criteria, which must be followed by local governments in order to remain in compliance with the Act's provision.

Conditions of Employee Use

The DWIHN currently utilizes both an American Express Corporate Card and a MasterCard. The American Express Corporate Card is available for issuance to Executive Leadership, the CEO, ~~and~~ Board Liaison ~~and any other employee as directed by the CEO~~ and the one (1) MasterCard is issued solely to the VP of Finance. The MasterCard is registered under the personal credit profile of the VP of Finance, and therefore may only be used in the event that the vendor **does not** accept American Express. The MasterCard will remain in possession of the VP of Finance at all times.

Credit cards are to be used exclusively for official DWIHN business ~~and shall include, including the following type of purchases; but not limited to, travel expenses such as airfare and lodging. No credit cards shall be issued to other DWIHN employees without the authorization of the Chief Executive Officer (CEO), made in consultation with the CFO.~~

1. Conference and/or Seminar Registrations
2. Hotel and air accommodations in accordance with the travel policy
3. Membership dues
4. Subscriptions related to the core activities of the DWIHN
5. Food and refreshments in accordance with procurement policy
6. Postal and express mail services
7. Miscellaneous fees and goods under \$500 before taxes, excluding all electronic devices
8. Parking Fees

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At the direction of the CEO, certain staff may require special provisions on purchases outside of the aforementioned. Cardholders are responsible for ensuring that they adhere to this Credit Card Policy, thereby ensuring adequate controls are exercised to minimize the risk that corporate credit cards may be used for fraudulent or corrupt purposes.

The conditions of use are as follows:

- ~~Any expenses other than those specifically authorized in the Disbursement, Procurement and Travel Policies are not permitted to be paid for using the credit cards. In the event that a specific expense is not addressed in the aforementioned policies, the DWIHN shall refer to the Act and 2 CFR 225 – Cost Principles for State, Local and Indian Tribal Governments for additional allowable expenses eligible for credit card use.~~ Charging personal transactions to corporate cards is not acceptable. The Office of Fiscal Management (Finance), in order to ensure compliance with this policy, will scrutinize all cardholder transactions.
- Any employee using DWIHN credit cards shall be responsible for submitting to the Office of Fiscal Management (Finance) documentation, including, but not limited to, receipts, detailing the goods and services purchased, the cost of goods or services, the date of the purchase, and the official business for which such goods were purchased. An acceptable receipt is an original receipt. Failure by authorized employees to provide receipts or creditable explanation for the unsupported expenditure will result in disciplinary action and may result in the employee personally reimbursing the charges.
- Cardholders may not use their card to obtain cash advances from banks, credit unions or automatic teller machines. This prohibition similarly extends to cash equivalents such as bank checks, traveler's checks and electronic cash transfers.
- Each employee issued a credit card and/or authorized to use an DWIHN credit card is responsible for its physical protection and custody, and shall immediately notify the Office of Fiscal Management (Finance) if the credit card is lost or stolen. Employees shall return any issued credit card, upon the termination of his or her employment or services, to the Office of Fiscal Management (Finance).

Infractions of the conditions of this policy will result in cancellation of the card and withdrawal of an employee's corporate credit privileges. Breach of this policy can lead to disciplinary action up through and including termination against the staff member concerned. In all cases of misuse, the DWIHN reserves the right to recover any monies improperly expended from the cardholder and/or employee. Cardholders and/or employees will be required to sign a declaration authorizing the DWIHN to recover, from their salary, any amount incorrectly claimed.

Office of Fiscal Management (Finance) Responsibilities

The following are the responsibilities of the Office of Fiscal Management (Finance) with regard to DWIHN credit cards:

- Issue and update the Credit Card, Disbursement, Procurement and Travel Policies as necessary.
- Enforce and audit credit card policies and procedures, including revocation of cards as necessary.
- Ensure that, at no time, does the combined authorized limit of all credit cards issued by the DWIHN exceed \$100,000.
- Establish proper controls, including the development of internal procedures with DWIHN guidelines identified herein, to ensure all purchases comply with this policy.
- Maintain budgetary controls over credit card usage. In this regard, the Office of Fiscal Management (Finance) shall develop a procedure whereby credit card invoices are reviewed and scrutinized in advance of payment.
- Monitor the use of the credit card by Division and/or employee in accordance with official policies.
- Report abuse of credit card usage and corrective action taken to the Chief Executive Officer and/or Chairperson of the Board of Directors.
- Promptly reconcile expenditures within ~~2010~~ business days of the statement date so that invoices, inclusive of balance and any interest, are paid within 30 days of the initial statement date.
- Work directly with the Division and credit card companies to resolve billing disputes.
- Maintain documentation of transaction evidence to support all charges.
- Report cards lost or stolen immediately to the credit card company.
- The VP of Finance shall include all expenses related to the credit card activity in the monthly and quarterly financial statements presented to the Finance Committee and to the Full Board, respectively.

Card Termination

The financial institution, the CEO and/or the Michigan Department of Treasury for reasons, including the following, may terminate the DWIHN's credit cards:

- Failure to comply with the Act.
- Failure to comply with this policy.
- In the event the account has not been reconciled for 60 days.
- In the event the cardholder is no longer on the DWIHN's payroll; including resignation, extended leave of absence without pay, termination or retirement.
- In the event there is no account activity in greater than 22 months.

If an account is terminated for delinquency or use of the card for personal charges, the account cannot be reinstated.

Public Records

All documents related to the corporate credit cards may be fully disclosed as a public record to the extent provided for by the open records laws.

QUALITY ASSURANCE/IMPROVEMENT

DWIHN shall engage an independent auditor to provide reasonable assurance that the financial reporting controls of the DWIHN are reliable and prepared in accordance with Generally Accepted Accounting Principles along with the DWIHN's adherence to this policy.

COMPLIANCE WITH ALL APPLICABLE

LAWS

DWIHN staff are bound by all applicable local, state and federal laws, rules, regulations and policies, all federal waiver requirements, state and county contractual requirements, policies, and administrative directives, as amended.

LEGAL AUTHORITY

1. 2 CFR 225 - Cost Principles for State, Local and Indian Tribal Governments
2. Generally Accepted Accounting Principles (GAAP)
3. Governmental Accounting Standards Board (GASB)
4. Michigan Public Act 266 of 1995

RELATED POLICIES

1. Disbursement Policy
2. Fiscal Control & Accountability Procedure
3. Procurement Policy
4. Travel Policy

CLINICAL POLICY

NO

INTERNAL/EXTERNAL POLICY

INTERNAL

Budget Submission Timeline

June 10, 2024	Budget Administrator provides budget templates to CFO
July 1, 2024	Initial Budget submission to Finance and PCC
July 10, 2024	Board return questions to staff
July 15, 2024	Staff to complete questions and forward to Finance
July 24, 2023	Budget with responses to questions submitted to Finance and PCC
August 7, 2024	Annual Budget hearing (Finance and PCC)
September 4, 2024	Presentation of Recommended Budget to Finance Committee
September 18, 2024	Full board approval of Recommended Budget

**DETROIT WAYNE INTEGRATED HEALTH NETWORK
BOARD ACTION**

Board Action Number: 21-73R Revised: Y Requisition Number: 13,180

Presented to Full Board at its Meeting on: 6/20/2024

Name of Provider: 123.Net

Contract Title: 123.Net Fiber Internet Services - Modification

Address where services are provided: None

Presented to Finance Committee at its meeting on: 6/5/2024

Proposed Contract Term: 8/1/2021 to 7/31/2024

Amount of Contract: \$ 12,894.00 Previous Fiscal Year: \$ 77,364.00

Program Type: Modification

Projected Number Served- Year 1: Persons Served (previous fiscal year):

Date Contract First Initiated: 6/1/2021

Provider Impaneled (Y/N)?

Program Description Summary: Provide brief description of services provided and target population. If propose contract is a modification, state reason and impact of change (positive and/or negative).

Request a BO modification to (BO022190062), additional funding to provide payment for the remainder of the contractual agreement through Yr3. Request the funds, in the amount of **\$12,894.00 be added.**

Justification for the cost is due to the increase and addition of bandwidth between Milwaukee and Woodward. Request to add funding to cover the remainder of the contract.

\$77,364.00 + \$12,894.00

New total not to exceed = \$90,258.00

Outstanding Quality Issues (Y/N)? If yes, please describe:

Source of Funds: Multiple

Fee for Service (Y/N):

Revenue	FY 23/24	Annualized
Multiple	\$ 90,258.00	\$ 90,258.00
	\$	\$
Total Revenue	\$	\$

Recommendation for contract (Continue/Modify/Discontinue): Modify

Type of contract (Business/Clinical): Business

ACCOUNT NUMBER: 64915.817000.00000

In Budget (Y/N)? N

Approved for Submittal to Board:

Eric Doeh, President/CEO

Stacie Durant, Vice President of Finance

Signature/Date:

Signature/Date:

Eric Doeh

Stacie Durant

Signed: Thursday, May 30, 2024

Signed: Thursday, May 30, 2024

**DETROIT WAYNE INTEGRATED HEALTH NETWORK
BOARD ACTION**

Board Action Number: 22-50R Revised: Y Requisition Number:

Presented to Full Board at its Meeting on: 6/20/2024

Name of Provider: Rehmann Robson CPAs & Consultants

Contract Title: Standard Cost Allocation Consulting Services

Address where services are provided: None

Presented to Finance Committee at its meeting on: 6/5/2024

Proposed Contract Term: 1/19/2023 to 9/30/2026

Amount of Contract: \$ 129,000.00 Previous Fiscal Year: \$ 10,300.00

Program Type: Continuation

Projected Number Served- Year 1: Persons Served (previous fiscal year):

Date Contract First Initiated: 1/19/2023

Provider Impaneled (Y/N)?

Program Description Summary: Provide brief description of services provided and target population. If propose contract is a modification, state reason and impact of change (positive and/or negative).

This revised board action is requesting the approval for the Finance Department to extend the contract term to September 30, 2026. There are no additional funds requested.

The initial board action was approved for \$139,300 through September 30, 2024 to enter into a comparable source contract with Rehman Robson Inc. for the accounting and consulting services related to assisting DWIHN with the implementation of the Standard Cost Allocation (SCA) Model required by the Michigan Department of Health and Human Services (MDHHS) which will be included in the upcoming years compliance examination. The accounting and consulting services relate to, but not limited to the internally provided and direct services at the newly constructed care center, the anticipated 7-mile integrated care center and Downriver Care Center.

A contract is budgeted and funded primarily with the care centers budget. To date, the contractor has incurred approximately \$10,300 in costs.

Outstanding Quality Issues (Y/N)? If yes, please describe:

Source of Funds: Multiple

Fee for Service (Y/N):

Revenue	FY 24/25	Annualized
Multiple	\$ 129,000.00	\$ 129,000.00
	\$ 0.00	\$ 0.00
Total Revenue	\$ 129,000.00	\$ 129,000.00

Recommendation for contract (Continue/Modify/Discontinue): Continue

Type of contract (Business/Clinical): Business

ACCOUNT NUMBER: 64950.813000.00000

In Budget (Y/N)? Y

Approved for Submittal to Board:

Eric Doeh, President/CEO

Stacie Durant, Vice President of Finance

Signature/Date:

Signature/Date:

Eric Doeh

Stacie Durant

Signed: Friday, May 24, 2024

Signed: Friday, May 24, 2024

DETROIT WAYNE INTEGRATED HEALTH NETWORK BOARD ACTION

Board Action Number: 24-07 R6 Revised: Y Requisition Number:

Presented to Full Board at its Meeting on: 6/20/2024

Name of Provider: Detroit Wayne Integrated Health Network

Contract Title: FY 2023-2024 Operating Budget

Address where services are provided: None

Presented to Finance Committee at its meeting on: 6/5/2024

Proposed Contract Term: 10/1/2023 to 9/30/2024

Amount of Contract: \$ 1,141,565,532.00 Previous Fiscal Year: \$ 1,056,528,326.69

Program Type: Modification

Projected Number Served- Year 1: Persons Served (previous fiscal year):

Date Contract First Initiated: 10/1/2023

Provider Impaneled (Y/N)?

Program Description Summary: Provide brief description of services provided and target population. If propose contract is a modification, state reason and impact of change (positive and/or negative).

This board action is requesting board approval to certify additional Medicaid and HMP revenues totaling \$122,282,154 as compared to the initial budgeted revenues. The FY24 Medicaid revenue were budgeted at approximately \$60 million less as compared to FY23. The additional revenues are anticipated based on FY 2024 projection analyses performed and include the revised Milliman rates adjustments that were effective April 1, 2024.

It should noted the additional \$62 million (\$122mm less \$60mm) received in excess of FY23 revenue include approximately \$46 million or 76% in HRA pass through funds to the hospitals as the per diem increased from \$308 per day to \$622 per day. In addition, approximately \$15 million or 24%, relate to an increase in Autism revenue. Further noted, the expenses for Autism, adult and IDD services are projected to increase by the same amount.

The revised FY 2024 Operating Budget of \$1,141,565,532 consists of the following revenue:

- \$881,145,860 (Medicaid, DHS Incentive, Medicaid-Autism, Children's/ SED Waiver, HAB, CCBHC Supplemental);
- \$145,008,869 (HMP);
- \$12,289,936 (MI Health Link);

- \$21,629,681 (State General Funds, CCBHC General Funds);
- \$23,486,447 (Wayne County Local Match Funds);
- \$4,723,521 (County PA2 Funds);
- \$13,720,684 (State Grant Portion of OBRA, SUD);
- \$31,927,509 (Federal Grants/ Federal Block Grants/ SUD);
- \$2,593,025 (Local Grants);
- \$5,000,000 (Interest Income); and
- \$40,000 (Miscellaneous Revenue).

Outstanding Quality Issues (Y/N)? If yes, please describe:

Source of Funds: Medicaid

Fee for Service (Y/N):

Revenue	FY 23/24	Annualized
MULTIPLE	\$ 1,141,565,532.00	\$ 1,141,565,532.00
	\$	\$
Total Revenue	\$	\$

Recommendation for contract (Continue/Modify/Discontinue): Modify

Type of contract (Business/Clinical): Business

ACCOUNT NUMBER: MULTIPLE

In Budget (Y/N)? N

Approved for Submittal to Board:

Eric Doeh, President/CEO

Stacie Durant, Vice President of Finance

Signature/Date:

Signature/Date:

Eric Doeh

Stacie Durant

Signed: Thursday, May 30, 2024

Signed: Thursday, May 30, 2024

Board Action #: 24-07 R6