



Detroit Wayne Integrated Health Network

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**Finance Committee Meeting
Hotel St. Regis
3071 W. Grand Blvd.
Detroit, Michigan 48202
Wednesday, October 5, 2022
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 – September 19, 2022**
- VII. Presentation of the Monthly Finance Report**
- VIII. Unfinished Business:**
Staff Recommendations:
 - a. Board Action #21-71 (Revision 2) - American Society of Employees
- IX. New Business:**
Staff Recommendations:
 - a. Board Action #23-23 – Graham Media
 - b. Board Action #23-24 – Scripps Media
 - c. Board Action #23-25 - WestComm
 - d. Board Action #23-34 – Employee Health Insurance FY23
 - e. Board Action #23-37 – MMRMA Insurance
 - f. Board Action #23-39 – PA 152 Waiver

Board of Directors

Angelo Glenn, Chairperson
Dorothy Burrell
Kevin McNamara

Kenya Ruth, Vice Chairperson
Lynne F. Carter, MD
Bernard Parker

Dora Brown, Treasurer
Eva Garza Dewaelsche
William Phillips

Dr. Cynthia Tauog, Secretary
Jonathan C. Kinloch

Eric W. Doeh, President and CEO

X. 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 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).

XI. Adjournment

FINANCE COMMITTEE

MINUTES

SEPTEMBER 19, 2022

2:00 P.M.

3071 W. GRAND BLVD.
DETROIT, MI 48202
(HYBRID/ZOOM)

| | |
|--------------------------|---|
| MEETING CALLED BY | I. Mr. Kevin McNamara, Vice Chair, called the meeting to order at 2:01 p.m. and noted that he would Chair the meeting until the return of Ms. Brown, Chairperson. |
| TYPE OF MEETING | Finance Committee Meeting |
| FACILITATOR | Mr. Kevin McNamara, Vice Chair |
| NOTE TAKER | Lillian M. Blackshire, Board Liaison |
| ATTENDEES | <p>Finance Committee Members Present: Ms. Dora Brown, Chair Mr. Kevin McNamara, Vice Chair Ms. Eva Garza Dewaelsche Mr. Bernard Parker Ms. Kenya Ruth</p> <p>Committee Members Excused: None</p> <p>Board Members Present: Commissioner Jonathan C. Kinloch</p> <p>Board Members Excused: Angelo Glenn</p> <p>Staff: Mr. Eric Doeh, CEO; Ms. Stacie Durant, CFO; Ms. Yolanda Turner, Deputy Legal Counsel; Ms. Brooke Blackwell, Chief of Staff; Ms. Sheree Jackson, Corporate Compliance Officer; and Mr. Jamal Aljahmi, Chief Information Officer</p> <p>Staff Attending Virtually: Mr. Manny Singla, Chief Network Officer; Ms. Jean Mira, Procurement Manager; and Ms. Andrea Smith, Director of Innovation & Community Engagement</p> <p>Guests: None</p> |

AGENDA TOPICS

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 Acting Chair, Mr. Kevin McNamara called for Committee member remarks. None

IV. Approval of Agenda

The Acting Chair, Mr. McNamara called for a motion on the agenda. There were no changes or modifications requested to the agenda. **Motion:** It was moved by Mr. Parker and supported by Ms. Garza Dewaelsche approval of the agenda. **Motion carried.**

V. Follow-up Items:

The Acting Chair called for follow-up items. Ms. S. Durant, Chief Financial Officer reported. A written document was provided for the record. It was reported that there were questions from the Budget Hearing held on August 4, 2022. The follow-up questions included the budget variance for regular salaries and wages; the variance for miscellaneous contractual services; the distinction in services to justify the cost variation between ACC and Black Family Development which are similar in size (a clinical response was provided in the report); the distinction in services to justify the cost variation between DRMM and the average costs per member and since the implementation of the 29-day authorization period for SUD residential, what impact (if any) did it have on recidivism. All of the questions were answered in the written report and during the discussion which ensued regarding the variance for regular salaries and wages and the distinction in services to justify the cost variation between ACC and Black Family Development; and DRMM and the average costs per member; it was noted that DRMM received a stability payment in Fiscal year 2021 and that if the payment was reduced from the total cost it put them in line with the other providers. Further discussion ensued and more detail was provided in the written report. The Committee noted that all questions from the Budget Hearing had been answered as requested.

VI. Approval of the Meeting Minutes

The Chair Mr. McNamara called for a motion on the Finance Committee minutes from the meeting of Wednesday, August 3, 2022. **Motion:** It was moved by Ms. Ruth and supported by Mr. Parker approval of the Finance Committee minutes with any necessary corrections from the meeting of Wednesday, August 3, 2022. There were no corrections to the minutes. **Motion carried.** Minutes accepted as presented.

VII. Presentation of the Monthly Finance Report

S. Durant, CFO presented the Monthly Finance report. A written report for the ten months ended July 31, 2022 was provided for the record. Network Finance accomplishments and noteworthy items were as follows:

1. DWIHN executed two Flagstar loan agreements consistent with the approved board actions totaling \$25.3 million for the Milwaukee and Woodward buildings. Discussion ensued regarding the swap agreement interest rate as well as the monies from the State for the new building. CEO Doeh noted that a letter should be received this week stating the \$45 million had been awarded.

Cash flow is very stable and should continue to remain strong throughout the year as liquidity ration =3.32

A. Cash and Investments – comprise of funds held by three (3) investment managers, First Independence CDARS, Comerica, and Flagstar accounts.

B. Due from other governments and accounts receivable – comprise various local, state and federal amounts due to DWIHN. The account balance primarily related \$5.0 million due from MDHHS for SUD and MH block grant. Approximately \$2.2 million due from Wayne County for 3rd quarter PA2 and \$1.4 million for the monthly match payment. In addition, approximately \$1.0 million due from the ICO's for cost settlements; \$1.0 million due from CLS for prior year

cost settlement. DWIHN recorded \$.5 million in an allowance for two SUD providers due to length of amount owed and likelihood of collections.

C. Prepayment and deposits – amount represents \$1.4 million on stability payments made to skill building and supported employment providers for the fiscal year ended September 30, 2022. Claims will be adjusted after year end to recognize the expense and reduce the prepayment.

D. IBNR Payable – represents incurred but not reported (IBNR) claims from the provider network; historical average claims incurred through July 31, 2022, including DCW hazard pay and one time 5% rate increase, was approximately \$593.3 million however actual payments were approximately \$547.9 million. The difference represents claims incurred but not reported and paid of \$45.4 million.

E. Due to other governments – includes \$8 million due to MDHHS for death recoupment and \$12.3 million for the FY21 hazard pay cost settlement and \$1.8 million due to MDHHS for FY20 general fund carryover in excess of 5%.

F. Federal/State grants and contracts – The net \$5.3 million variance is due to lack of spending for the \$3.7 million Tri County Crisis grant. In addition, the SUD federal portion will be reclassified to state as part of the year end closing entries.

G. SUD, Adult, IDD, and Children services - \$85 million variance due to impact of COVID, the workforce shortages and timing in services and payment (i.e. summer programs, financial stability payments). In addition, the IBNR is an estimated calculation and could vary several million.

There was no further discussion. The Acting Chair, Mr. McNamara noted the Monthly Finance Report ended July 31, 2022 was received and filed.

VIII. 3rd Quarter FY22 Procurement Report for all Procurements Non-Competitive under \$50,000 and all Cooperative Procurements. S. Durant, CFO reported. A written document was provided to the committee and for the record. It was noted that contracts with Wayne County is almost at 60% and Out Wayne County contracts is at 40%; if IT contracts were excluded the percentage of contracts for Wayne County is 70%. Discussion ensued regarding Translation Services; it was a Cooperative purchase and the services were provided by a company located in Hamtramck which is located in Wayne County. There was no further discussion. The report was received and filed.

IX. Unfinished Business – Staff Recommendations:

a. **Board Action #22-12 (Revision 8) – Detroit Wayne Integrated Health Network (DWIHN) FY 2021-2022 Operating Budget.** The Chair called for a motion. **Motion:** It was moved by Mr. Parker and supported by Ms. Ruth approval of BA #22-12 (Revision 8) to Full Board. S. Durant, Chief Financial Officer reported. This board action is requesting Board approval to decertify revenue of \$156,866 per Amendment #3 of the FY22 MDIIIIS Comprehensive Services for Behavioral Health grant allocation to DWIHN as follows: 1. Certify State General fund dollars of \$172,150 per the allocation of an additional \$34,430 for each of the five (5) Multicultural Programs and (2) De-certify Federal Grant Funds of \$329,016 per the reduction of the Clubhouse Engagement Program from \$354,016 to \$25,000. Additionally, the budget amendment reflects the addition of six (6) part-time staff to the DWIHN Call Center to assist in the delivery of service to Wayne County residents. The positions are funded with revenue certified under BA#22-12R6 and result in no additional increase to the budget. Discussion ensued regarding the de-certifying of General fund dollars. There was no further discussion. **Motion carried.**

b. Board Action #22-39 (Revision) Allen Law Group, LLC. The Chair called for a motion. **Motion:** It was moved by Mr. Parker and supported by Ms. Dewaelsche approval of BA#22-39 (Revision) to Full Board. Ms. Yolanda Turner, Deputy Legal Counsel reported. This board action is requesting board approval for an extension of the existing Agreement between DWIHN and the Allen Law Group. The current term is ending on September 30, 2022. As such, the requested extension will extend the Agreement for legal services through September 30, 2023. The Allen Law Group has a unique understanding of DWIHN's business and provides expertise in employment law, labor negotiations and other projects as assigned. In addition to transactional legal matters, ALG has assisted in the transition of the Compliance Department and has provided litigation and arbitration support as needed. ALG will continue to supplement the Legal Department and has agreed to a monthly flat rate fee for agreed upon non-litigation matters (litigation and arbitration, if any, will be billed hourly). The legal Department is asking that an amount not to exceed \$250,000 to be added to ALG's contract (\$40,000 of which will be added to the current fiscal year). The contract is funded by the vacant Chief General Counsel position. Discussion ensued regarding the type of services to be provided by ALG; the total amount of the increase and the cost of the services compared to last fiscal year. It was noted that there is a number of large projects on the horizon including DWIHN moving into direct services; the CCBHC and the Crisis Center. Discussion also ensued regarding the lead attorney at ALG that would be assigned to DWIHN and how attorneys would be selected if work was outside of the scope of the lead attorney. There was no further discussion. **Motion carried.**

X. New Business – Staff Recommendations:

a. Board Action #23-05 Detroit Wayne Integrated Health Network (DWIHN) FY2022/2023 Operating Budget. The Chair called for a motion. **Motion:** It was moved by Mr. Parker and supported by Ms. Ruth approval of BA#23-05 to Full Board. CFO Durant reported. This board action is requesting board approval for the FY2023 Operating Budget. The FY2023 operating budget, in the amount of \$949,581,636 includes revenue of \$21,630,181 (State General Funds, CCBHC State General Funds); \$723,141,397 (Medicaid, DHS Incentive, Medicaid-Autism, Children's /SED Waiver, HAB); \$9,886,123 (MI Health Link); \$140,914,218 (Healthy MI-Mental Health and Substance Abuse); \$17,686,447 (Wayne County Local Match Funds); \$4,040,539 (PA2 Funds); \$7,294,100 (State Grant portion of OBRA, SUD); \$24,207,631 (Federal grants/Federal Block Grants/SUD); \$241,000 (Local Grant Revenue); \$500,000 (Interest Income); and \$40,000 (Misc. Revenue) Discussion ensued regarding the total amount of the budget and the adjustments that had been made since the Budget Hearing, a summary of the adjustments were included with the board action. Commissioner Kinloch requested that when the budget totals one billion dollars that a footnote be added that noted this is the first time the Network has had a billion-dollar budget. There was no further discussion. **Motion carried.**

b. Board Action #23-15 Detroit Wayne Connect (DWC) Training Platform. The Chair called for a motion. **Motion:** It was moved by Mr. Parker and supported by Ms. Ruth approval of Board Action #23-15 to Full Board. A. Smith, Director of Innovation and Community Engagement reported. This Board action is requesting approval of a one-year Comparable Source contract between the DWIHN and WIT, Inc. for an amount to not exceed \$675,000. WIT has provided the primary operation/services package for the operations of Detroit Wayne Connect (DWC) (formerly VCE) The system referred to as "TAP" supports the entire training product for DWC which includes support for all computer-based-training for DWC customers, including the entire DWIHN network of organizations and staff; support for all event planning needs for face-to-face training and other supporting communications and events; the registration process for staff participating in training; the tracking of all training for individuals and organization in the DWIHN network; the billing process for DWC customers; and the system for management of DWC website. Discussion ensued regarding the number of people using the services. There was no further discussion. **Motion carried.**

c. Board action #23-18 Comprehension Cybersecurity Risk Assessment. The Chair called for a motion. **Motion:** It was moved by Mr. McNamara and supported by Ms. Ruth approval of Board Action #23-18 to Full Board. Mr. J. Aljahmi, Chief Information Officer reported. This board action is requesting approval of a one-year contract with three optional one year extensions in the amount not to exceed \$124,888 (one year) for the fiscal year ended September 30, 2023. The contract is to acquire a Virtual Chief Information Security Officer to serve under the CIO to develop a complete set of information technology and security policies adequate to meet any audit requirements, along with delivering a comprehensive risk assessment to identify gaps in physical technical and administrative controls and provide recommendations for remediation, actions or plans to eliminate or prevent further occurrences. On June 14, 2022 a Request for Proposal (RFP) was made whereby six respondents submitted a proposal however, two were deemed non-responsive. Based on the evaluation team's review and scoring the Purchasing Administrator recommended Global Solutions as the most responsive bidder. Discussion ensued regarding the services to be provided; storage of the information; the actions that DWIHN has taken in the past regarding security and the information the vendor would have access to while completing the work. There was no further discussion. **Motion carried.**

Ms. Brown, Treasurer and Finance Committee Chair resumed the Chairperson position from Vice Chairperson McNamara at 2:45 p.m.

Board action #23-30 Public Affairs Associates (PAA) The Chair called for a motion. **Motion:** It was moved by Ms. Ruth and supported by Ms. Dewaelsche approval of BA#23-30 to Full Board for approval. DWIHN Administration is requesting board approval to enter into a new two-year Comparable Source contract with PAA from October 1, 2022 through September 30, 2024. PAA continues to work in conjunction with DWIHN staff and board members for government and legislative services. As we are in the midst of key projects that still need major lobbying efforts such as our crisis facility, behavioral healthcare campus, and CCBHC; having any change in our lobbying efforts would cause devastating effects to these projects. PAA has been a critical piece to DWIHN's legislative plan in working with the MDHHS and Lansing leadership that have garnered us unprecedented success with the award of a \$45 million grant to build an integrated behavioral healthcare campus. The services provided by PAA are unique that if disturbed could be disastrous to our system of care. Over the past few years DWIHN has worked alongside PAA in developing strategies and building relationships across the region to create a successful community mental health organization. This 2-year contract amount is \$100,000 per year, for a total not to exceed amount of \$200,000. The Committee gave accolades to the lobbyists for the work performed and the building of relationships. There was no further discussion. **Motion carried.**

XI. Good and Welfare/Public Comment – The Chair read the Good and Welfare/Public Comment statement. There were no members of the public addressing 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. Parker and supported by Ms. Ruth to adjourn the meeting. **Motion carried.** The meeting adjourned at 3:00 p.m.

**FOLLOW-UP
ITEMS**

1. Commissioner Kinloch requested that when the budget totals one billion dollars that a footnote be added that this is the first time the Network has had a billion-dollar budget.

**DWIHN Division of Management and Budget
Monthly Finance Report
For the eleven months ended August 31, 2022**

DWIHN Finance accomplishments and noteworthy items:

1. CFO analyzed current revenue projections and determined DWIHN was in a financial position to provide a 5% rate increase (opposed to 2.5%) for the fiscal year ended September 30, 2023.
2. On Monday, September 26, 2022, DWIHN issued 3rd quarter 5% supplemental payments totaling \$6.8 million. The 4th quarter payment will be distributed on/about December 19.
3. DWIHN will be expanding the financial stability payments to other lines of services previously not considered due to the lack of availability in current year PPP loans etc. Prior to current year, providers remained fiscally solvent due to the additional funds available. DWIHN anticipates a significant increase in stability payments due to the aforementioned.

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 = 3.56.

| | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG |
|-------|------|------|------|------|------|------|------|------|------|------|------|------|
| DWIHN | 3.13 | 3.13 | 2.50 | 2.79 | 2.49 | 2.44 | 2.72 | 2.75 | 3.08 | 2.78 | 3.32 | 3.56 |

- (A) Cash and Investments – comprise of funds held by three (3) investment manager, First Independence CDARS, Comerica, and Flagstar accounts. This amount includes the cash held in collateral for the two building loans.
- (B) Due from other governments and accounts receivable – comprise various local, state and federal amounts due to DWIHN. The account balance primarily related \$4.0 million due from MDHHS for SUD and MH block grant. Approximately \$2 million due from Wayne County for estimated 4th quarter PA2. Approximately \$7 million in pass through HRA revenue for 4th quarter. In addition, approximately \$1.0 due from the ICO’s for cost settlements; \$1.0 million due from CLS for prior year cost settlement. DWIHN recorded \$.5 million in an allowance for two SUD providers due to length of amount owed and likelihood of collections.
- (C) Prepayment and deposits – amount represent \$1.4 million on stability payments made to skill building and supported employment providers for the fiscal year ended September 30, 2022. Claims will be adjusted after year end to recognize the expense and reduce the prepayment.
- (D) IBNR Payable – represents incurred but not reported (IBNR) claims from the provider network; historical average claims incurred through August 31, 2022, including DCW hazard pay and one time 5% rate increase, was approximately \$654.8 million however actual payments were approximately \$604.3 million. The difference represents claims incurred but not reported and paid of \$50.5 million.
- (E) Due to other governments – includes \$8 million due to MDHHS for death recoupment and \$1.8 million due to MDHHS for FY20 general fund carryover in excess of 5%.
- (F) Federal/State grants and contracts– The net \$5.7 million variance is due to lack of spending for the \$3.7 million Tri County Crisis grant (\$3 million of variance). In addition, the SUD federal portion will be reclassified to state as part of the year end closing entries. This accounts for approximately \$2 million of variance. The \$19 million variance in state grants is due to approximately \$10 million in additional Medicaid received over budget. For such reasons, DWIHN implemented a 5% rate increase opposed to 2.5% for fiscal year September 30, 2023. Approximately \$4 million in additional CCBHC revenue and a estimated \$4 million in DCW cost settlement.

- (G) SUD, Adult, IDD, and Children services – \$77 million variance due to impact of COVID, the workforce shortages and timing in services and payment (i.e. summer programs, financial stability payments). In addition, the IBNR is an estimated calculation and could vary several million.
- (H) The significant investment losses are due to the changes in the market. DWIHN will not incur such losses at investment maturity however GAAP requires that investments are booked at market value.

Statement of Net Position
As of August 31, 2022

Assets

| | | |
|---|------------------------|---|
| Cash and investments | 287,449,605 | A |
| Investments in Internal Service Fund | 58,819,171 | A |
| Other cash and investments | 1,000 | |
| Receivables | | |
| Due from other governmental units | 13,413,308 | B |
| Accounts receivable | 6,158,474 | B |
| Less: allowance for uncollectible | (487,838) | B |
| Prepayments and deposits | 1,987,540 | C |
| Total current assets | 367,341,260 | |
| Capital assets, net of accumulated depreciation | 13,901,289 | |
| Total Assets | 381,242,550 | |

Liabilities and Net Position

Liabilities

| | | |
|---|------------------------|---|
| Accounts payable | 30,099,664 | |
| IBNR Payable | 50,519,698 | D |
| Due to Wayne County | 1,426,664 | |
| Due to other governments | 12,821,876 | E |
| Accrued wages and benefits | 509,553 | |
| Unearned revenue | 417,923 | |
| Accrued compensated balances | 1,357,485 | |
| Total current liabilities | 97,152,863 | |
| Notes Payable | 5,007,859 | |
| Total Liabilities | 102,160,722 | |
| Net Position | | |
| Net investment in capital assets | 8,893,429 | |
| Unrestricted - PA2 funds | 6,264,131 | |
| Internal Service Fund | 59,717,016 | |
| Unrestricted | 204,207,252 | |
| Total Net Position | 279,081,828 | |
| Liabilities and Net Position | 381,242,550 | |
| Cash remaining if all liabilities were paid with no consideration of the sell of capital assets | \$ 244,108,054 | |

Statement of Revenues, Expenses and Changes to Net Position
For the Eleven Months Ending August 31, 2022

| | Year to Date | | | | | |
|--|-------------------|----------------------|----------------------|--------------------|-----------------------|-----------------------|
| | August 2022 | | | | | |
| | Budget | Actual | Variance | Budget | Actual | Variance |
| Operating Revenues | | | | | | |
| Federal grants | \$ 2,235,172 | \$ 4,621,532 | \$ 2,386,360 | \$ 24,586,890 | \$ 18,890,387 | \$ (5,696,503) |
| State grants and contracts | 76,172,710 | 92,320,910 | 16,148,200 | 837,899,806 | 857,215,637 | 19,315,831 |
| Prior year Medicaid and General Fund carryover | | | | | 41,280,671 | 41,280,671 |
| MI Health Link | 823,844 | 776,956 | (46,888) | 9,062,279 | 8,358,170 | (704,109) |
| Local grants and contracts | 1,830,665 | 738,730 | (1,091,935) | 20,137,320 | 21,136,394 | 999,074 |
| Other charges for services | 3,333 | 223 | (3,110) | 36,667 | 64,719 | 28,052 |
| Total Operating Revenues | 81,065,724 | 98,458,351 | 17,392,627 | 891,722,962 | 946,945,978 | 55,223,016 |
| Operating Expenses | | | | | | |
| Salaries | 2,009,834 | 1,868,869 | 140,965 | 22,062,929 | 21,513,249 | 549,680 |
| Fringe benefits | 762,486 | 716,854 | 45,632 | 8,387,351 | 8,383,778 | 3,573 |
| Substance abuse services | 4,180,965 | 5,015,945 | (834,980) | 45,990,619 | 38,822,991 | 7,167,628 |
| Autism Services | 5,935,353 | 5,376,715 | 558,638 | 65,288,882 | 58,381,426 | 6,907,456 |
| MI HealthLink | 823,010 | 741,155 | 81,855 | 9,053,113 | 9,914,802 | (861,689) |
| Adult Services | 24,825,511 | 28,781,247 | (3,955,736) | 274,062,527 | 261,440,602 | 12,621,925 |
| Children Services | 7,375,936 | 7,197,196 | 178,740 | 81,135,294 | 59,809,574 | 21,325,720 |
| Intellectual Developmental Disabled | 31,572,222 | 28,345,026 | 3,227,196 | 347,294,446 | 310,198,931 | 37,095,515 |
| Grant Programs | 1,154,094 | 1,500,855 | (346,761) | 12,695,035 | 8,098,820 | 4,596,215 |
| State of Michigan | 1,652,516 | 2,391,334 | (738,818) | 18,177,672 | 17,036,570 | 1,141,102 |
| Depreciation | 147,233 | | 147,233 | 1,619,560 | 758,309 | 861,251 |
| Other operating | 626,564 | 989,522 | (362,958) | 6,872,201 | 5,338,965 | 1,533,236 |
| Total Operating Expenses | 81,065,724 | 82,924,718 | (1,858,994) | 892,639,629 | 799,698,017 | 92,941,612 |
| Operating Revenues over (under) Expenses | - | 15,533,633 | 19,251,621 | (916,667) | 147,247,961 | 148,164,628 |
| Non-operating Revenues (Expenses) | | | | | | |
| Investment Earnings | 83,333 | 74,519 | (8,814) | 916,667 | (959,128) | (1,875,794) |
| Contributions | | | | | 7,220 | 7,220 |
| Total Non-operating Revenues (Expenses) | 83,333 | 74,519 | (8,814) | 916,667 | (951,908) | (1,868,574) |
| Change in Net Position | 83,333 | 15,608,152 | 19,242,807 | - | 146,296,053 | 146,296,054 |
| Net Position - Beginning of year | | | | | 132,785,775 | 132,785,775 |
| Net Position - End of Year | \$ 83,333 | \$ 15,608,152 | \$ 19,242,807 | \$ - | \$ 279,081,828 | \$ 279,081,829 |

DETRIT WATNE INTEGRATED HEALTH NETWORK
Statement of Cash Flows
For the Eleven Months Ending August 31, 2022

| | |
|---|------------------------------|
| Cash flows from operating activities | |
| Cash receipts from the state and federal governments | \$ 893,094,348 |
| Cash receipts from local sources and customers | 21,201,113 |
| Payments to suppliers | (830,996,124) |
| Payments to employees | (30,896,923) |
| | <u>52,402,414</u> |
| Net cash provided by (used in) operating activities | <u>52,402,414</u> |
| Cash flows from capital and related financing activities | |
| Acquisition of capital assets | (1,699,139) |
| Principle and interest paid on capital debt | (227,379) |
| | <u>(1,926,518)</u> |
| Net cash provided by (used in) capital and related financing activities | <u>(1,926,518)</u> |
| Cash flows from investing activities | |
| Interest received on investments | (959,128) |
| Proceeds from sale of assets | 7,220 |
| | <u>(951,908)</u> |
| Net cash provided by investing activities | <u>(951,908)</u> |
| Net increase (decrease) in cash and cash equivalents | <u>49,523,989</u> |
| Cash and investments - beginning of period | <u>296,745,788</u> |
| Cash and investments - end of period | <u><u>\$ 346,269,776</u></u> |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities | |
| Operating income (loss) | \$ 147,247,961 |
| Adjustments to reconcile operating income (loss) to net cash used in operating activities: | |
| Depreciation | 758,309 |
| Decreases (increases) in current assets: | |
| Accounts receivable | 1,195,184 |
| Prepayments and deposits | (1,612,143) |
| Due from other governmental units | 7,878,080 |
| Increases (decreases) in current liabilities: | |
| Accounts and contracts payable | (101,005,614) |
| IBNR Payable | 50,519,698 |
| Accrued wages | (615,667) |
| Due to Wayne County | 1,426,664 |
| Due to other governmental units | (11,666,278) |
| Unearned revenue | (41,723,780) |
| | <u>\$ 52,402,414</u> |
| Net cash provided by (used in) operating activities | <u><u>\$ 52,402,414</u></u> |
| Bank balance comprise the following @ August 31, 2022: | |
| Flagstar (\$23 million restricted for loan account) | \$ 245,025,625 |
| Investment Managers | 80,825,781 |
| First Independence Bank (CDARS) | 19,936,601 |
| Comerica | 1,003,152 |
| | <u>\$ 346,791,159</u> |

**DETROIT WAYNE INTEGRATED HEALTH NETWORK
BOARD ACTION**

Board Action Number: 21-71R2 Revised: Y Requisition Number:

Presented to Full Board at its Meeting on: 10/19/2022

Name of Provider: American Society of Employees, Inc.

Contract Title: Leadership Training Services

Address where services are provided: None

Presented to Finance Committee at its meeting on: 10/5/2022

Proposed Contract Term: 3/1/2021 to 9/30/2023

Amount of Contract: \$ 214,505.00 Previous Fiscal Year: \$ 181,000.00

Program Type: Modification

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

Date Contract First Initiated: 10/1/2017

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).

The Detroit Wayne Integrated Health Network (DWIHN) is requesting approval to amend BA #21-71 (Leadership Training Services) to purchase a 1-year subscription for DEI Training package with American Society of Employees (ASE)/McLean & Co. which also includes an intensive training program for the Executive Leadership Team. The cost of the 1-year subscription for the DEI Advisory Bundle includes DEI assessments and over 100 DEI training courses that can be uploaded into DWIHN's LMS, for a total price not to exceed **\$33,505**.

The revised contract amount is \$214,505.

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

Source of Funds: Multiple

Fee for Service (Y/N):

| Revenue | FY 22/23 | Annualized |
|----------------|-----------------|-------------------|
| Multiple | \$ 214,505.00 | \$ 214,505.00 |

| | | |
|----------------------|----|---------------|
| | \$ | \$ 0.00 |
| Total Revenue | \$ | \$ 214,505.00 |

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

Type of contract (Business/Clinical): Business

ACCOUNT NUMBER: 64925.817000.00000

In Budget (Y/N)?

Approved for Submittal to Board:

Eric Doeh, Chief Executive Officer

Stacie Durant, Chief Financial Officer

Signature/Date:

Signature/Date:

Eric Doeh **Stacie Durant**

Signed: Thursday, September 29, 2022

Signed: Thursday, September 29, 2022

DETROIT WAYNE INTEGRATED HEALTH NETWORK BOARD ACTION

Board Action Number: 23-23 Revised: Requisition Number:

Presented to Full Board at its Meeting on: 10/19/2022

Name of Provider: Graham Media Group

Contract Title: Graham Media

Address where services are provided: 'None'

Presented to Finance Committee at its meeting on: 10/5/2022

Proposed Contract Term: 10/1/2022 to 9/30/2023

Amount of Contract: \$ 50,250.00 Previous Fiscal Year: \$ 50,000.00

Program Type: Continuation

Projected Number Served- Year 1: 100,000,000 Persons Served (previous fiscal year): 100000000

Date Contract First Initiated: 10/1/2022

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 would be a new contract agreement with Graham Media from October 1, 2022 to September 30, 2023 in the amount of \$50,250.

The partnership includes a five-month campaign during the months of January, March, April, May and June and the scope of services includes DWIHN providing content and scripts to Graham Media who will produce 30 second messages to be aired on WDIV-TV4 two weeks out of each of the five months which includes 26 commercials a month as well as content streaming on their website, clickondetroit.com.

The community outreach campaign provides key messaging designed specifically for DWIHN on how to access the mental health system, programs and services for people with mental illness, intellectual and developmental disabilities, substance use disorder, etc. It will focus on programs and services that haven't received much attention such as crisis services, mental health stigma, mental health first aid, trauma, suicide prevention, bullying, autism, human trafficking and much more.

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

Source of Funds: General Fund

Fee for Service (Y/N): N

| Revenue | FY 22/23 | Annualized |
|----------------------|-----------------|-------------------|
| State General Fund | \$ 50,250.00 | \$ 50,250.00 |
| | \$ 0.00 | \$ 0.00 |
| Total Revenue | \$ 50,250.00 | \$ 50,250.00 |

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

Type of contract (Business/Clinical): Business

ACCOUNT NUMBER: 64931.827206.06300

In Budget (Y/N)?

Approved for Submittal to Board:

Eric Doeh, Chief Executive Officer

Stacie Durant, Chief Financial Officer

Signature/Date:

Signature/Date:

Eric Doeh

Stacie Durant

Signed: Friday, September 30, 2022

Signed: Friday, September 30, 2022

**DETROIT WAYNE INTEGRATED HEALTH NETWORK
BOARD ACTION**

Board Action Number: 23-24 Revised: Requisition Number:

Presented to Full Board at its Meeting on: 10/19/2022

Name of Provider: Scripps Media, Inc.

Contract Title: Scripps Media

Address where services are provided: 'None'

Presented to Finance Committee at its meeting on: 10/5/2022

Proposed Contract Term: 10/1/2022 to 9/30/2023

Amount of Contract: \$ 50,000.00 Previous Fiscal Year: \$ 50,000.00

Program Type: New

Projected Number Served- Year 1: 100,000,000 Persons Served (previous fiscal year): 100000000

Date Contract First Initiated: 10/1/2022

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 would be a new contract agreement with Scripps Media from October 1, 2022 to September 30, 2023 in amount of \$50,000.

The partnership includes a series of four :15-second video messages highlighting DWIHN's Access to Care services and resources and other critical information delivered across all Scripps Detroit platforms: WXYZ, WMYD, Bounce, Digital + Social Series of four co-sponsored WXYZ Social Media posts with aligned High Impact Ad Exposure + Video Messaging on WXYZ.com/Ch. 7 OTT/Streaming.

The community outreach campaign provides key messaging designed specifically for DWIHN on how to access the mental health system, programs and services for people with mental illness, intellectual and developmental disabilities, substance use disorder, suicide prevention, children's services and much more. It will also focus on other DWIHN programs and services including accessing DWIHN's new Care Centers, Certified Community Behavioral Health Clinics, (CCBHC) Opioid and Behavioral Health Homes, crisis services, mental health stigma, mental health first aid, trauma, bullying, autism, and human trafficking.

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

Source of Funds: General Fund

Fee for Service (Y/N): N

| Revenue | FY 22/23 | Annualized |
|----------------------|-----------------|-------------------|
| State General Fund | \$ 50,000.00 | \$ 50,000.00 |
| | \$ 0.00 | \$ 0.00 |
| Total Revenue | \$ 50,000.00 | \$ 50,000.00 |

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

Type of contract (Business/Clinical): Business

ACCOUNT NUMBER: 64931.827206.06300

In Budget (Y/N)? Y

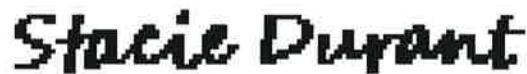
Approved for Submittal to Board:

Eric Doeh, Chief Executive Officer

Stacie Durant, Chief Financial Officer

Signature/Date:

Signature/Date:



Signed: Friday, September 30, 2022

Signed: Friday, September 30, 2022

DETROIT WAYNE INTEGRATED HEALTH NETWORK BOARD ACTION

Board Action Number: 23-25 Revised: Requisition Number:

Presented to Full Board at its Meeting on: 10/19/2022

Name of Provider: Westcomm Inc

Contract Title: Westcomm, Inc

Address where services are provided: 'None'

Presented to Finance Committee at its meeting on: 10/5/2022

Proposed Contract Term: 10/1/2022 to 9/30/2025

Amount of Contract: \$ 296,100.00 Previous Fiscal Year: \$ 69,500.00

Program Type: New

Projected Number Served- Year 1: 100,000,000 Persons Served (previous fiscal year): 100000000

Date Contract First Initiated: 10/1/2022

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 would be a new contract agreement with Westcomm to provide Social Media Management services for three years beginning October 1, 2022 to September 30, 2025.

In July 2022, an RFP process began in which Westcomm was chosen over four other qualified companies with a score of 298 points out of a possible 300. It is recommended that they be awarded this contract for three years with one-year renewal option for a total amount not to exceed of \$296,100 (\$98,700 annually).

The partnership includes social media management services for DWIHN including creating engaging and relevant content at least 3-5 times per week on various and appropriate channels including Facebook, Instagram, Twitter, Linked In and Tik Tok. Westcomm Inc. will also provide at least two to three Facebook live events, monitor national and local news events to include in appropriate messaging, manage and create paid search and display ads to reach all target audiences that DWIHN works with as well as a special emphasis on reaching younger people with targeted social media campaigns and videos that will post on streaming platforms that can be accessed via mobile devices.

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

Source of Funds: General Fund

Fee for Service (Y/N): N

| Revenue | FY 22/23 | Annualized |
|----------------------|-----------------|-------------------|
| State General Fund | \$ 296,100.00 | \$ 296,100.00 |
| | \$ 0.00 | \$ 0.00 |
| Total Revenue | \$ 296,100.00 | \$ 296,100.00 |

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

Type of contract (Business/Clinical): Business

ACCOUNT NUMBER: 64931.827206.06300

In Budget (Y/N)? Y

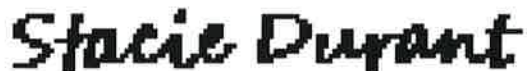
Approved for Submittal to Board:

Eric Doeh, Chief Executive Officer

Stacie Durant, Chief Financial Officer

Signature/Date:

Signature/Date:



Signed: Friday, September 30, 2022

Signed: Friday, September 30, 2022

DETROIT WAYNE INTEGRATED HEALTH NETWORK BOARD ACTION

Board Action Number: 23-34 Revised: N Requisition Number:

Presented to Full Board at its Meeting on: 10/19/2022

Name of Provider: Fidelity Security Life Insurance Company, Blue Cross Blue Shield of Michigan, Golden Dental Plans, Inc., Delta Dental Plan of Michigan Inc

Contract Title: Employee Healthcare FY 23

Address where services are provided: None

Presented to Finance Committee at its meeting on: 10/5/2022

Proposed Contract Term: 1/1/2023 to 12/31/2023

Amount of Contract: \$ 4,720,136.00 Previous Fiscal Year: \$ 5,102,201.00

Program Type: Continuation

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

Date Contract First Initiated: 1/1/2021

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).

DWIHN Administration is requesting approval of a one-year contract, effective January 1, 2023 through December 31, 2023, for an estimated amount of \$4,720,136 for the provision of comprehensive health benefits (medical – BCBS, dental - Delta Dental/Golden Dental, and optical - EyeMed) for three hundred six (306) enrolled DWIHN employees. The amount will vary based on the number of enrolled employees and their plan selections.

This amount includes a 7.37% decrease in BCBS, 3.8% increase in Delta Dental, and 3% increase in Golden Dental, and a 16% decrease in short/long term disability insurance.

Current labor agreements require that DWIHN provide healthcare coverage to all of its qualifying, active employees. Providers were selected through a bid process conducted by Lockton. The amount is estimated based on the staff count of approximately three hundred eighty (380) employees.

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

Source of Funds: Multiple

Fee for Service (Y/N):

| Revenue | FY 22/23 | Annualized |
|----------------------|-----------------|-------------------|
| Multiple | \$ 4,720,136.00 | \$ 4,720,136.00 |
| | \$ 0.00 | \$ 0.00 |
| Total Revenue | \$ 4,720,136.00 | \$ 4,720,136.00 |

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

Type of contract (Business/Clinical): Business

ACCOUNT NUMBER: MULTIPLE

In Budget (Y/N)? Y


Approved for Submittal to Board:

Eric Doeh, Chief Executive Officer

Stacie Durant, Chief Financial Officer

Signature/Date:

Signature/Date:



Signed: Wednesday, September 28, 2022

Signed: Wednesday, September 28, 2022

**DETROIT WAYNE INTEGRATED HEALTH NETWORK
BOARD ACTION**

Board Action Number: 23-37 Revised: N Requisition Number:

Presented to Full Board at its Meeting on: 10/19/2022

Name of Provider: Michigan Municipal Risk Management Authority

Contract Title: MMRMA Insurance Renewal

Address where services are provided: 'None'

Presented to Finance Committee at its meeting on: 10/5/2022

Proposed Contract Term: 10/1/2022 to 10/1/2023

Amount of Contract: \$ 229,607.00 Previous Fiscal Year: \$ 218,416.00

Program Type: Continuation

Projected Number Served- Year 1: 0 Persons Served (previous fiscal year): 0

Date Contract First Initiated: 10/1/2014

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).

The Detroit Wayne Integrated Health Network ("DWIHN") is requesting approval to contract with the Michigan Municipal Risk Management Authority ("MMRMA") to provide comprehensive liability, casualty and property insurance to Detroit Wayne Integrated Health Network ("DWIHN") for FY 2022-2023. The total premium payment is \$229,607.00. MMRMA is a public entity self-insurance pool that provides property and liability coverage to local governmental entities in the state of Michigan.

DWUHN has been a member of MMRMA since FY 2014-15. As a member of MMRMA, DWUHN has access to MMRMA's risk management program and risk control services, which assists members to identify, prevent, and mitigate losses. MMRMA provides training in all areas of risk management, along with claims management and up to date information on trends and strategies in public risk management.

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

Source of Funds: Multiple

Fee for Service (Y/N): N

| Revenue | FY 22/23 | Annualized |
|----------------------|-----------------|-------------------|
| Multiple | \$ 229,607.00 | \$ 229,607.00 |
| | \$ 0.00 | \$ 0.00 |
| Total Revenue | \$ 229,607.00 | \$ 229,607.00 |

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

Type of contract (Business/Clinical): Business

ACCOUNT NUMBER: 64910.911000.00000

In Budget (Y/N)? Y

Approved for Submittal to Board:

Eric Doeh, Chief Executive Officer

Stacie Durant, Chief Financial Officer

Signature/Date:

Signature/Date:

Eric Doeh Stacie Durant

Signed: Thursday, September 29, 2022

Signed: Thursday, September 29, 2022

DETROIT WAYNE INTEGRATED HEALTH NETWORK BOARD ACTION

Board Action Number: 23-39 Revised: N Requisition Number:

Presented to Full Board at its Meeting on: 10/19/2022

Name of Provider: Detroit Wayne Integrated Health Network

Contract Title: PA 152 Waiver

Address where services are provided: None

Presented to Finance Committee at its meeting on: 10/5/2022

Proposed Contract Term: 1/1/2023 to 12/31/2023

Amount of Contract: \$ 492,000.00 Previous Fiscal Year: \$ 899,097.00

Program Type: New

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

Date Contract First Initiated: 1/1/2023

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).

DWIHN presents this board action to request an exemption from PA 152 of 2011 (the "Act") to permit DWIHN to subsidize the healthcare coverage for the upcoming 2023 plan year for an estimated amount of \$492,000 based on 306 employees, which represents an estimated 90% DWIHN employer and 10% employee contribution. The percentages are consistent with prior year board recommendation. The board approved a contribution of \$899,097 for the plan 2022 plan year based on 306 employees. This current request is 45% lower than prior years DWIHN contribution above hard cap and based on a five year historical analysis of budget to actual costs, is within the board approved administrative budget.

DWIHN's administration has worked closely with Lockton, our benefits broker, to secure quality and low-cost health care for staff. The broker requested quotes from other two health plans however they refused to submit an offer due to lack of a competitive rate compared to the current carrier. Therefore, despite our best efforts, the cost of medical healthcare coverage for the staff under Blue Cross Blue Shield/BCN which decreased by 7% as compared to prior year however still a 23% increase over 2021 plan year.

*Due to restrictions under the Act, 100% of the 23% increase must be borne by employees. Approval of the board action would allow a waiver of the hard cap provision and permit DWIHN to fund the aforementioned amount above hard cap. This board action must come before the Board each year prior to the open enrollment period and is **not** automatically extended beyond the date indicated (12/31/23).*

Passed in 2011, the Act limits a public employer's expenditures for medical benefits for its employees by imposing a "hard cap" on those expenditures. With two-thirds approval by the governing body **each year**, Section 8 of the Act allows the employer to exempt itself from the imposition of the hard cap.

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

Source of Funds: Multiple

Fee for Service (Y/N):

| Revenue | FY 22/23 | Annualized |
|----------------------|-----------------|-------------------|
| Multiple | \$ 492,000.00 | \$ 492,000.00 |
| | \$ 0.00 | \$ 0.00 |
| Total Revenue | \$ 492,000.00 | \$ 492,000.00 |

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

Type of contract (Business/Clinical): Business

ACCOUNT NUMBER:

In Budget (Y/N)? Y

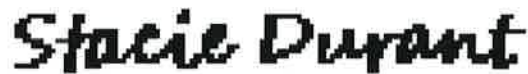
Approved for Submittal to Board:

Eric Doeh, Chief Executive Officer

Stacie Durant, Chief Financial Officer

Signature/Date:

Signature/Date:



Signed: Monday, October 3, 2022

Signed: Monday, October 3, 2022