



Detroit Wayne Integrated Health Network

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Finance Committee Meeting
DWIIH Administration Building
8726 Woodward Avenue
Detroit, MI 48202
Wednesday, July 2, 2025
1:00 p.m.
AGENDA

- I. Call to Order**
- II. Roll Call**
- III. Committee Member Remarks**
- IV. Approval of Agenda**
- V. Follow-Up Items**
 - a. Provide an analysis of the Crisis Care Center and how we are performing financially.
 - b. Revise language in the Procurement Policy – include language regarding a company having an aggregate of over \$100k in a fiscal year coming to the board.
- VI. Approval of Minutes – June 4, 2025**
- VII. Presentation of the Monthly Finance Report**
- VIII. FY25/26 Budget Highlights Overview**
- IX. Unfinished Business:**

Staff Recommendations:

 - a. Board Action 24-50(Revised) – Care Center Pharmacy Services
 - b. Board Action 24-55(Revised) – Linen Services at 707 Crisis Care Center
 - c. Board Action 24-70(Revised) – Leasing Space at Considine Little Rock Life Center
 - d. Board Action 25-25(Revision 5) – DWIHN FY2025 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 who do not want to identify themselves may still address the Board. Issues raised during Good and Welfare/Public Comment that are

Board of Directors

Dr. Cynthia Taueg, Chairperson
Karima Bentounsi
Kevin McNamara

Jonathan C. Kinloch, Vice Chairperson
Angela Bullock
Bernard Parker

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

Eva Garza Dewaelsche, Secretary
Angelo Glenn
Kenya Ruth

James E. White, President and CEO



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

Inpatient Hospital Cost Avoidance Due to dWIHN Care Center Diversions

	Oct-24 thru Apr-25	Annualized
Adult		
# Member Days - Care Center	3,594	6,161
Equivalent Cost - Inpatient	\$2,350,476	\$4,029,387
Child & Family		
# Member Days - Care Center	641	1,099
Equivalent Cost - Inpatient	\$467,289	\$801,067
Total Care Center		
# Member Days - Care Center	4,235	7,260
Equivalent Cost - Inpatient	\$2,817,765	\$4,830,454

Notes

Avg inpatient cost/day for adults in FY25 (thru April) = \$654

Avg inpatient cost/day for children in FY25 (thru April) = \$729

FINANCE COMMITTEE

MINUTES

JUNE 4, 2025

1:00 P.M.

**DETROIT WAYNE INTEGRATED
HEALTH NETWORK
8726 WOODWARD AVENUE
DETROIT, MI. 48202**

MEETING CALLED BY	Ms. Dora Brown, Chair called the meeting to order at 1:06 p.m.
TYPE OF MEETING	Finance Committee Meeting
FACILITATOR	Ms. Dora Brown, Chair
NOTE TAKER	Carmen Smith
ATTENDEES	<p>Finance Committee Members Present: Dora Brown, Chair Kevin McNamara, Vice Chair Eva Garza Dewaelsche Bernard Parker Kenya Ruth Dr. Cynthia Taueg</p> <p>Committee Members Excused: Karima Bentounsi</p> <p>Board Members Present: Commissioner Jonathan Kinloch</p> <p>Staff Members Present: Mr. M. Singla, Deputy CEO; Ms. S. Durant, VP of Finance; Mr. J. Connally, VP of Human Resources; Ms. B. Blackwell, VP of Government Affairs; Mr. K. Frambro, VP of IT Services; Ms. M. Gray, Associate VP of Legal Affairs; Mr. M. Maskey, Executive Director of Facilities; Mr. J. Schafer, Compliance Administrator; Ms. M. Moody, VP of Clinical Operations; and Ms. E. Reynolds, Executive Director of Outpatient Services</p> <p>Staff Members Virtually: Mr. J. White, CEO; Ms. Y. Turner, VP of Legal Affairs and Ms. C. Phipps, Director Children's Initiatives</p> <p>Guests: None</p>

AGENDA TOPICS

<p>I. Call to Order The meeting was called to order by the Chair, Ms. Dora Brown at 1:06 p.m.</p> <p>II. Roll Call Roll Call was taken by Ms. Lillian M. Blackshire, Board Liaison and a quorum was present.</p> <p>III. Committee Member Remarks - None</p>	
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IV. Approval of Agenda

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

V. Follow-up Items

Provide information on the Mental Health Act Fund

This item was deferred to the Program Compliance Committee.

Analysis of SUD Programs that were impacted by loss of COVID Grants

Ms. Durant reported. The first item was this body requesting an analysis of which programs and how much were impacted by the Federal cease of COVID Grants. The information was presented and this committee deferred to the Program Compliance Committee to determine the impact, if any, based on the March 31 deadline for those grants.

Provide Analysis on the number of contracts over the last two years that have gone to the Board between \$50K-\$100K

Ms. Durant reported. At the last meeting, there was a presentation regarding amendment to the procurement policy. This item was referred to the Policy Committee, however, the meeting was cancelled so it was brought to the Finance Committee. She stated that she brought the list of any contracts between \$50 and \$100,000, which is included in the Finance Committee packet. The information contains the contracts for the past two years.

Mr. McNamara stated that when he looks at the list of the \$50,000-\$100,000, it initially looks like it's good to go to \$100,000, but his concern is not things like Camp Therapeutic Recreation or the Accident Fund Insurance. His concern would be related to consultants. What kind of safeguards would we have on going from \$50,000 to \$100,000 with the consultants? He referred to Starfish Family Services. Ms. Durant responded that Starfish is not a consultant, but one of our largest children's providers. He asked for further clarification regarding the consultants, particularly personal services contracts. Ms. Durant responded those would still come to the board in the quarterly report. Ms. Cassandra Phipps, Director of Children's Services, provided clarification on Starfish Family Services. She stated that DWIHN has a contract with Starfish and University of Michigan for the MC3 program, and that is what is listed on the document, her understanding is that they provide behavioral health consultant staff for this program. She explained that the MC3 program is in tandem with the University of Michigan. They provide psychiatric consultation to doctors that might need to consult on medication, and then behavioral health consultants are housed in the clinics to provide consultation to those clinics.

Mr. McNamara asked if there's a way to segregate personal service contracts to keep it at \$50,000? He stated that, although he has a very high respect for what DWIHN does, in government they hire people a lot, and they put the named consultant on it, and I know that that's not a consultant. He further stated that it worries him that if somebody hired somebody as a consultant, the board wouldn't know about it until such time that it is already done.

Commissioner Kinloch asked if Mr. McNamara's request is for personal service contracts or professional service contracts to still require board approval under the less than \$100,000 threshold that has been proposed. Mr. McNamara asked if it would be difficult to do that and leave it at the \$50,000 threshold. Ms. Durant asked if this has previously been an issue and, if not, why would the concern be there that it would happen going forward. Mr. McNamara responded that it has not been an issue. Commissioner Kinloch stated that the board can always look at the matter in the future and make necessary adjustments if it becomes an issue so we can have consistency with the policy. Ms. Durant reiterated that the information would be provided to the board on a quarterly basis.

Mr. Parker asked if, in the future, an RFP goes out for a particular commodity, service, etc., does that mean anything under \$100,000 can be approved by Administration without coming before the board? Ms. Durant

responded that yes, to also be in line with this request on board approval, staff is also requesting that the threshold for formal solicitations be also increased to \$100,000; part of what was presented to the Finance Committee last month was, along with the equalization credits and the things that you all had requested in terms of, county-based, and so forth, there were two (2) things requested; one was that the Board approve contracts instead of \$50,000, it would be \$100,000. The second request was formal solicitations would be required over \$100,000 opposed to \$50,000. Currently, Federal (CFR) guidelines allow up to \$250,000 for a non-formal solicitation, but DWIHN is only asking for \$100,000. Therefore, contracts under \$100,000 would not require a formal solicitation. Contracts above \$100,000 would require a formal solicitation, and they would have to come before the board.

Mr. Parker asked for clarification – if DWIHN does a solicitation and it's under \$100,000, could it be approved by staff without coming to the board? Ms. Durant responded that is correct. Mr. Parker asked if it would just consist of contacting three companies and asking what their price is or getting informal quotes. Ms. Durant responded, per the CFR, that is the case up to a reasonable amount. Mr. Parker asked for clarification that the document presented included all the contracts over \$50,000 but less than \$100,000 and Ms. Durant responded that was correct.

Dr. Taueg asked if a company requires two contracts under \$100,000 would that then come to the board, or would it be listed twice. Ms. Durant responded that she believed if it is a different scope of service, it would be considered a different contract. She also stated she would clarify and bring the information back to the Committee. Dr. Taueg inquired as to the plans that we currently have in place for expansion, could it be expected that this number could increase in any significant way? Ms. Durant responded that is a real possibility. Dr. Taueg responded that the board will need to watch it quarterly. If it becomes troublesome to the board at some point, the policy can be revisited.

Commissioner Kinloch asked if the policy can be amended to say if any company receives in the aggregate, for whatever services, over \$100,000 within a 12-month period, that would trigger approval by the board, regardless of what the scope of services? Ms. Brown stated that she agrees with Commissioner Kinloch as to eliminate multiple contracts or RFPs to individuals under the \$100,000 threshold. This would include individual companies and subsidiaries. There was further discussion on how to identify the subsidiaries.

The record reflects that Mr. White joined the meeting virtually at this point.

Dr. Taueg asked if a motion is required to refer to Policy Committee. Ms. Turner responded that it has already been referred to the committee for review, and the amended language will also be forwarded to them as an amendment to the policy.

VI. Approval of the Meeting Minutes

The Chair called for a motion on the Finance Committee Minutes from the meeting of May 7, 2025. **Motion:** It was moved by Ms. Ruth and supported by Mr. McNamara to approve the Minutes. There was no further discussion. **Motion carried.**

VII. Presentation of the Monthly Finance Report

Ms. Durant presented on the Monthly Finance Report for the seven (7) months ended April 30, 2025. She stated there had been a lot of supposed discussion at Federal level that the Hospital Rate Adjustment (HRA) payment that is a pass through from the State to Detroit-Wayne to the hospitals was in jeopardy as one of the Medicaid cuts that was in jeopardy. DWIHN received notice a couple of weeks ago that not only was it not in jeopardy, but the Federal government (CMS) did approve that hospital rate adjustment, and they also increased the amount of the HRA payments. This rate adjustment allows the hospitals to get additional compensation, and to encourage and incentivize hospitals to take our members or persons who are on Medicaid, because private insurance pays a lot more.

Ms. Durant stated that there is a board action on the agenda for a budget adjustment under Unfinished Business that will increase that amount (it is an estimate). The rate went up 20%, so the thought is that the funding will go up 20% as well.

Ms. Durant stated that throughout the year, she submits reports to the State on projections on where we're at, based on our revenues, activities, costs, and utilization. We had a mid-year report that was due the past Friday. Based on that mid-year report, DWIHN was looking at a Medicaid shortfall, so our utilization costs exceeded our revenues by about \$30 million. These funds were going to have to come out of our \$70 million Internal Service Fund, leaving \$40 million, which is something that would need watching. However, when submitting the report, we got a rate adjustment letter from the State of Michigan, whereby they are amending the rates and adding an additional \$148 million to the system because of higher utilization and costs. She stated that she estimates DWIHN will receive between \$30 and \$32 million. DWIHN is hopeful that this comes to fruition, and we won't have to use our ISF.

Ms. Durant stated that at the end of FY 24, we had a general fund shortfall. We are projecting that we're going to have a general fund shortfall again to the tune of approximately \$12 million. The current year will be able to cover that deficit without going into reserves. Dr. Taueg asked if the shortfall comes from any particular area. Ms. Durant responded that it's mostly due to spenddown and getting people back on Medicaid quickly during their redetermination period. In prior times, the providers still got paid. Now, we provide incentives to the providers that if they want to be paid, they need to get the necessary information submitted to the DHS office for their clients in a timely manner.

Ms. Durant reported that MDCH announced that, effective October 1, 2025, they will be directly managing the payment and oversight for all CCBHCs. DWIHN has seven (7) CCBHC providers in our region right now, and there are two (2) parts to the payments that we pay to them. There's the Medicaid-based payment, which is part of our Medicaid capitation payment, and there is a supplemental payment, which is money the State gives to us that we pass through to them. That pass-through will go away. For the Medicaid-based, we're estimating that out of the \$1 billion that we receive in Medicaid, \$50 million will be carved out (estimate). Mr. McNamara asked how much the pass-through is for our administrative fee? Ms. Durant responded it's about \$600,000. Dr. Taueg asked how it would work when DWIHN becomes certified as a CCBHC. Ms. Durant responded that her understanding is that if we were a CCBHC, the Medicaid and the supplemental related to DWIHN as a CCBHC would come to us directly from the State.

Ms. Durant stated that on May 29, 2025, our cash collateral that was held for our construction was released, and she transferred that into our main depository account, so that funding is now available for disbursement amongst the provider network. Ms. Dewaelsche asked what was the amount? Ms. Durant responded that the amount is \$22 million. \$2,045,000 remained as restricted because that was the difference between the second appraisal on the Woodward building and the loan amount.

Mr. McNamara asked for information about the IBNR (Incurred but Not Reported) Payable on the report. He stated the payment appears larger each month and wondered if it ever gets cost settled with the State. Ms. Durant responded that this is very common in a claims-based system or a healthcare system, where you have claims and services that have been performed, but the bill hasn't been received yet. She stated that it's important to put it there because, if not, it would look like we had extra money, and the State would ask for that back. She also stated this is an estimated amount based on past claims and what we have paid previously. There was further discussion.

Ms. Brown stated that the Monthly Finance Report was received and filed.

VIII. FY27 Budget Submission Timeline

Ms. Durant reported on the FY 26 budget submission timeline. She stated that on an annual basis, there is a joint Finance Committee and Program Compliance Committee meeting on the 1st Wednesday of August, which is August 6, 2025. The timeline would be that we would provide the board the initial budget packet on June 30. Questions would be submitted by July 9, and then DWIHN would provide

the final board packet, including responses to any questions that board members proposed by Wednesday, July 23.

IX. Unfinished Business – Staff Recommendations:

A. BA #25-25 (Revision 4): FY25 Detroit Wayne Integrated Health Network Operating Budget

Ms. Durant reported. BA 25-25R4 is the Budget Amendment regarding HRA, where we are certifying an additional \$15.3 million related to the anticipated HRA increase resulting from a 20% rate increase that was approved by DHS. In addition to that, we're decertifying \$818,520 for the COVID and ARPA Grant revenue that ended on March 31, 2025. We're also including additional Medicaid reserves of \$1.3 million related to approximately \$313,700 for janitorial services for the Care Center, \$163,418 for HealthStream, credentialing data, conversion and implementation, and \$694,697 for additional administrative salaries and fringes. She stated there was detailed information on the fringes in the written submission. Mr. Parker asked if all the additional administrative salaries all pertained to the Care Center. Ms. Durant responded that the Facilities and the HR positions pertain to direct services, and the fact that we've got the additional buildings, and we need additional staff to continue hiring. She stated she believed the rest of the positions are regular administrative salaries or administrative cost. These were not anticipated last year when the budget was presented.

Ms. Ruth asked about the new positions. Ms. Durant responded that on the Mobile Crisis positions, there was a lot of overtime so the additional contingent staff was hired to alleviate those costs. Mr. Maskey stated that the positions that posted for Facilities are going to help accommodate all the new contracts that we have coming forth with the different facilities. Now that the facilities' warranties are starting to expire, we have a tremendous amount of contracts that are going to be executed, as well as inventory and fleet management. Also, with the mobile crisis vans, we need individuals to help service those and keep them on the road, making sure tires are rotated, oil changes are completed, etc. He provided further explanation of each of the requested positions.

Mr. Connally reported on the Human Resources positions. There are two (2) Human Resources Generalist positions that are also being requested. Due to the significant increase in staffing, we need these additional positions to support HR needs for the additional staff.

Mr. White stated provided additional clarification on the request for contingent staff for the Crisis unit. The primary reason for that is just to have the availability of staff, as well as to reduce the overtime. They have them literally on standby. He stated that DWIHN is coming up on one year of utilization of the Crisis Services unit. We're looking at 2,000 runs that they've handled, and the numbers are expected to grow over the summer so that additional staff is very much needed. With regards to the vehicle maintenance. the other big responsibility is maintaining the mobile clinic, which is a significant responsibility - from cleaning it to making sure that it's ready to go when we roll it out throughout the community, so that position would incur those responsibilities as well.

Ms. Dewaelsche inquired about the positions where staff are requesting the increase. Do these positions have to be filled by September 30? Ms. Durant responded that they are trying to fill the positions now. If the positions are not filled by September 30, they will be on our FY 26 budget. That was a big question to the chair. Dr. Taueg asked what would happen with the funds if the positions are not filled by September 30 and Ms. Durant responded that the funds are coming from the reserves, so it would just be less reserves spent. Ms. Dewaelsche asked for the total amount of the budget adjustment, which is approximately \$15.8 million.

The Chair called for a motion to approve BA #25-25R4. **Motion: It was moved by Mr. Parker and supported by Ms. Dewaelsche.** There were no questions or additional discussion. **Motion carried.**

X. New Business – Staff Recommendations: None

Mr. Parker stated that the Care Center has been operating for almost a year and asked if there's enough data to determine how much we've been able to reimburse versus the cost that it's costing us to operate the center

because we get reimbursement based on the participation clients but our costs are somewhat standard as far as personnel and cost of the building. Ms. Durant stated that we don't bill for our services. We receive a capitated amount of funding from the State, and the services, payment to providers and administrative costs, etc. is a part of that capitation which also includes the Care Center. Mr. Parker stated that he basically wants to know how the Care Center is functioning. Ms. Brown added that she believed Mr. Parker was requesting a wellness check on how the Crisis Center is doing as far as how it operates financially i.e. what does it look like, how is it affecting the budget?

Mr. White stated that he constantly asks about capitation issue, which can be quite confusing. The question at a very basic level is are we losing money. The answer is maybe. The Care Center is quite an extensive endeavor. He stated he's very interested in that because he wants to know what it's going to look like when we get to 707. Are we going to have a big, empty building, or are we going to have a big, filled building? This is not a money making endeavor. It's a break even endeavor. At this point, we are not breaking even. He added that, if given time to understand the issue more, he would provide a more complete response and has already spent a lot of time with Ms. Durant on the issue. There was further discussion.

XI. Good and Welfare/Public Comment – The Chair asked if there were any public comments. 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 Ms. Ruth to adjourn the meeting.
Motion carried. The meeting was adjourned at 2:13 p.m.

FOLLOW-UP ITEMS

- 1) The committee requested an analysis of the Crisis Care Center and how we are performing financially.
- 2) Revise the Procurement Policy to include language regarding if an individual company has a contract aggregate of over \$100K in a fiscal year it has to come to the board.

**DWIHN Division of Management and Budget
Monthly Finance Report
For the eight months ended May 31, 2025**

DWIHN Finance accomplishments and noteworthy items:

1. Governor Whitmore has proposed a 100% increase to the Medicaid asset threshold; Senate proposed a 60% increase in Medicaid asset threshold. The increase will directly eliminate or reduce the number of Medicaid members with deductibles and therefore reduce the amount of spenddown (i.e. General Fund).
2. As part of the June rate amendment, MDHHS reduced DWIHN entity factor. DWIHN met with MDHHS regarding the reduction and per MDHHS, the reduction was due to other regions' disenrollment after the PHE was more significant than MDHHS assumptions and therefore funds need to be reallocated accordingly. MDHHS could not advise whether this change in the entity wide factor would mean less revenues for DWIHN in FY26 however there is an impact for FY25. The CFO will not know the amount until actual adjusted payments are received in July. It should be noted that Oakland and Macomb received a more significant reduction in their entity factor.
3. A draft of the recommended CEO's budget is included in the packet. All board questions are due to Finance by July 9, 2025.

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

- Cash flow is stable and should continue to remain so throughout the year as liquidity ratio = 1.53.

	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY
DWIHN	2.40	2.12	2.74	2.74	2.28	2.33	2.05	1.92	1.69	1.53

- (A) Cash and investments – represent amount of cash held with three (3) investment managers, First Independence Bank, Flagstar and Huntington Bank. The gradual reduction in liquidity is due to increased costs and utilization.
- (B) Due from other governments – comprise various local, state and federal amounts due to DWIHN. Approximately \$5.8 million in SUD and MH block grant due from MDHHS. Approximately \$50.9 million for Quarter 1 and 2, and April and May **pass-through** HRA revenue. The remaining amount is due to the CCBHC cost settlement of \$5 million.
- (C) IBNR Payable – represents incurred but not reported (IBNR) claims from the provider network; historical average claims incurred through May 31, 2025, were approximately \$654.1 million. However, actual payments were approximately \$564.6 million. The difference represents claims incurred but not reported and paid \$89.5 million.
- (D) State contracts and contracts - \$12.9 million variance relate primarily to the 7 Mile construction project estimated to be underway. DWIHN expects construction to pick up in the latter part of the fiscal year. However, a budget adjustment is forthcoming to reduce the anticipated amount to more accurately reflect anticipated actual results.
- (E) Contracted services – The combined various of \$43.3 million related to SUD, Autism, Adult, Children and IDD costs are increasing as DWIHN utilization continues to increase to reflect the needs in the community. Refer to budget adjustment for additional certification of revenue and related expenses.

DETROIT WAYNE INTEGRATED HEALTH NETWORK

Statement of Net Position

As of May 31, 2025

Assets

Cash and investments	\$ 165,373,180	A
Investments in Internal Service Fund	71,680,377	A
Receivables		
Due from other governmental units	61,762,946	B
Accounts receivable	2,387,173	
Less: allowance for uncollectible	(73,424)	
Prepayments and deposits	5,099,128	
Total current assets	<u>306,229,380</u>	
Capital assets, net of accumulated depreciation	<u>62,808,220</u>	
Total Assets	<u><u>\$ 369,037,600</u></u>	

Liabilities and Net Position

Liabilities

Accounts payable	\$ 59,627,605	
IBNR Payable	89,474,284	C
Due to Wayne County	154,773	
Due to other governments	3,548,266	
Accrued wages and benefits	161,357	
Unearned revenue	268,104	
Accrued compensated balances	2,119,980	
Total current liabilities	<u>155,354,369</u>	
Notes Payable	<u>20,637,930</u>	
Total Liabilities	<u>175,992,299</u>	
Net Position		
Net investment in capital assets	40,949,482	
Restricted Opioid Settlement	1,917,349	
Restricted - PA2 funds	9,883,957	
Internal Service Fund	71,680,377	
Unrestricted	<u>68,614,136</u>	
Total Net Position	<u>193,045,301</u>	
Liabilities and Net Position	<u><u>\$ 369,037,600</u></u>	

DETROIT WAYNE INTEGRATED HEALTH NETWORK
Statement of Revenues, Expenses and Changes to Net Position
For the Eight Months Ending May 31, 2025

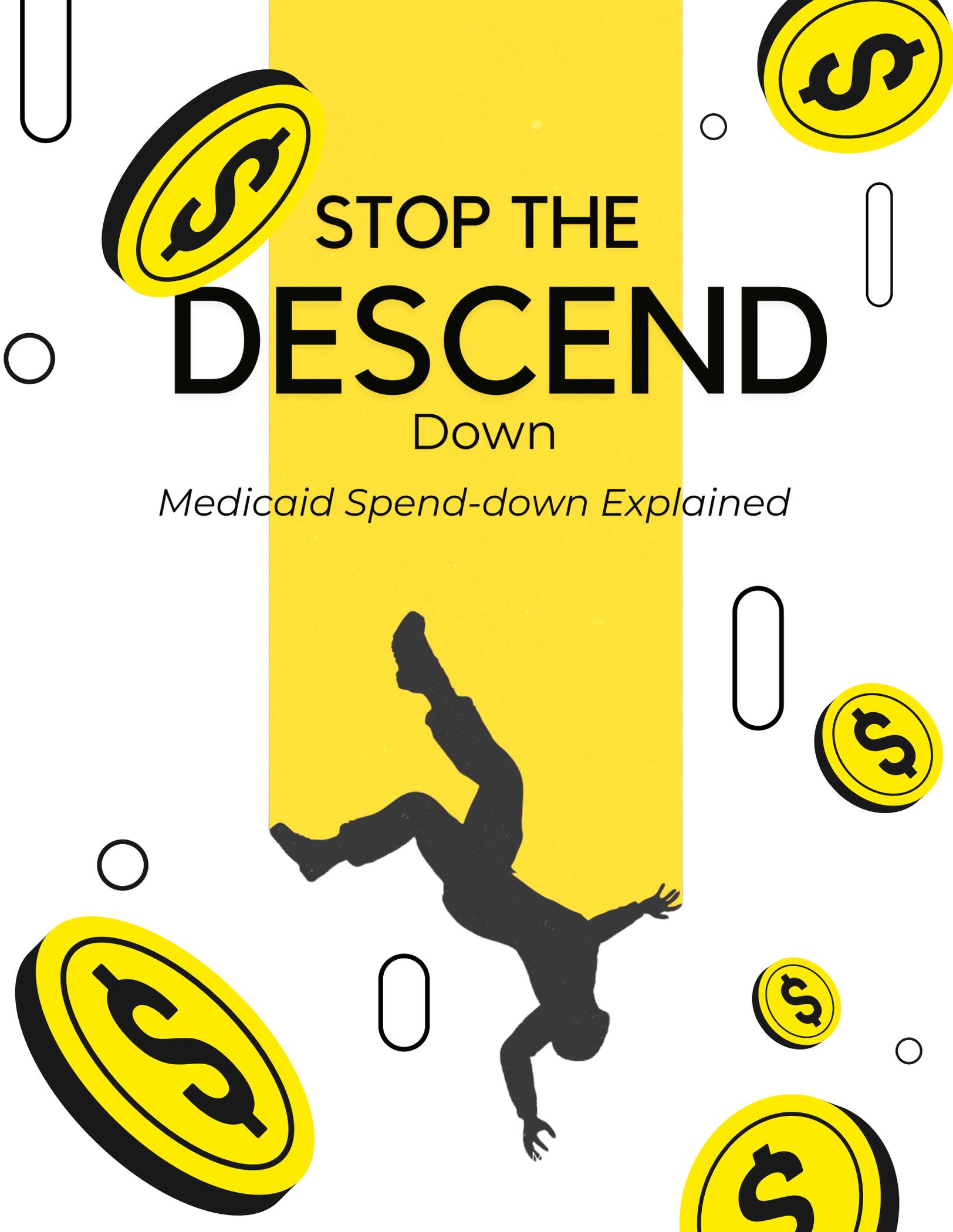
	May 2025			Year to Date			
	Budget	Actual	Variance	Budget	Actual	Variance	
Operating Revenues							
Federal grants	2,395,180	2,518,359	123,179	19,161,440	17,222,264	(1,939,176)	
State grants and contracts	95,888,930	94,310,363	(1,578,567)	767,111,440	754,198,855	(12,912,585)	D
Prior year Medicaid savings carryover	-	-	-	-	12,730,844	12,730,844	
MI Health Link	1,046,020	866,790	(179,230)	8,368,160	8,061,889	(306,271)	
Local grants and contracts	2,572,158	2,037,852	(534,306)	20,577,264	15,651,066	(4,926,198)	
Use of Revenues	1,314,173	-	(1,314,173)	10,513,384	-	(10,513,384)	
Other charges for services	3,333	1,264	(2,069)	26,664	33,658	6,994	
Total Operating Revenues	103,219,794	99,734,628	(3,485,166)	825,758,352	807,898,576	(17,859,776)	
Operating Expenses							
Salaries	2,661,450	3,385,253	(723,803)	21,291,600	18,759,727	2,531,873	
Fringe benefits	1,062,001	1,096,613	(34,612)	8,495,997	7,429,191	1,066,806	
Substance abuse services	5,259,195	10,122,216	(4,863,021)	42,073,560	48,000,373	(5,926,813)	E
Autism Services	8,575,482	9,213,192	(637,710)	68,603,856	73,838,241	(5,234,385)	E
MI HealthLink	1,025,100	790,850	234,250	8,200,800	5,519,834	2,680,966	
Adult Services	35,836,450	46,688,500	(10,852,050)	286,691,580	303,824,910	(17,133,330)	E
Children Services	4,910,509	5,005,861	(95,352)	39,284,072	43,369,170	(4,085,098)	E
Care Center	2,188,459	2,513,732	(325,273)	17,507,672	14,746,453	2,761,219	
Direct Services	1,075,440	820,050	255,390	8,603,552	4,610,865	3,992,687	
Intellectual Developmental Disabled	34,220,600	37,937,186	(3,716,586)	273,764,800	289,686,128	(15,921,328)	E
Grant Programs	1,237,715	1,332,200	(94,485)	9,901,720	6,194,291	3,707,429	
State of Michigan	1,458,137	1,788,097	(329,960)	11,665,096	11,816,698	(151,602)	
Depreciation	248,333	-	248,333	1,986,664	1,816,245	170,419	
Other operating	1,835,539	1,388,245	447,294	14,684,312	10,709,489	3,974,823	
Total Operating Expenses	101,594,410	122,081,995	(20,487,585)	812,755,281	840,321,615	(27,566,334)	
Operating Revenues over (under) Expenses	1,625,384	(22,347,367)	17,002,419	13,003,071	(32,423,039)	(45,426,110)	
Non-operating Revenues (Expenses)							
Investment Earnings	563,333	257,417	(305,916)	4,506,664	4,964,836	458,172	
Total Non-operating Revenues (Expenses)	563,333	257,417	305,916	4,506,664	4,964,836	(458,172)	
Change in Net Position	2,188,717	(22,089,950)	17,308,335	17,509,735	(27,458,203)	(45,884,282)	
Net Position - Beginning of year					220,503,504	220,503,504	
Net Position - End of Year	2,188,717	(22,089,950)	17,308,335	17,509,735	193,045,301	174,619,222	

DETROIT WAYNE INTEGRATED HEALTH NETWORK

Statement of Cash Flows

For the Eight Months Ending May 31, 2025

Cash flows from operating activities	
Cash receipts from the state and federal governments	\$ 778,579,334
Cash receipts from local sources and customers	15,684,724
Payments to suppliers	(759,215,811)
Payments to employees	<u>(49,281,360)</u>
Net cash provided by (used in) operating activities	<u>(14,233,113)</u>
Cash flows from capital and related financing activities	
Acquisition of capital assets	(3,324,253)
Proceeds from notes payable	1,705,800
Principle and interest paid on capital debt	<u>(287,070)</u>
Net cash provided by (used in) capital and related financing activities	(1,905,523)
Cash flows from investing activities	
Interest received on investments	<u>4,964,836</u>
Net cash provided by investing activities	<u>4,964,836</u>
Net increase (decrease) in cash and cash equivalents	(11,173,801)
Cash and investments - beginning of period	<u>248,227,358</u>
Cash and investments - end of period	<u><u>\$ 237,053,557</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities	
Operating income (loss)	\$ (32,423,039)
Adjustments to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation	1,904,194
Decreases (increases) in current assets:	
Accounts receivable	8,639,242
Prepayments and deposits	(512,598)
Due from other governmental units	(9,577,872)
Due from Wayne County	
Other assets	
Increases (decreases) in current liabilities:	
Accounts and contracts payable	(55,590,897)
IBNR Payable	89,474,284
Accrued wages	(3,657,619)
Due to Wayne County	154,773
Due to other governmental units	644,126
Unearned revenue	<u>(13,287,708)</u>
Net cash provided by (used in) operating activities	<u><u>\$ (14,233,113)</u></u>



STOP THE DESCEND

Down

Medicaid Spend-down Explained

Overview

Currently a person with income above the Federal Poverty Level of \$1,325 **keeps around \$375 a month for living expenses**. The rest of their income must go toward healthcare before they get any Medicaid assistance that month.

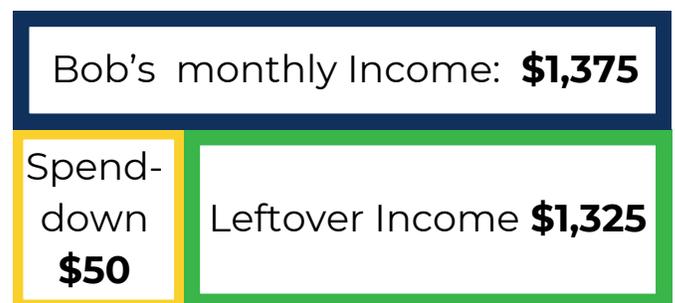
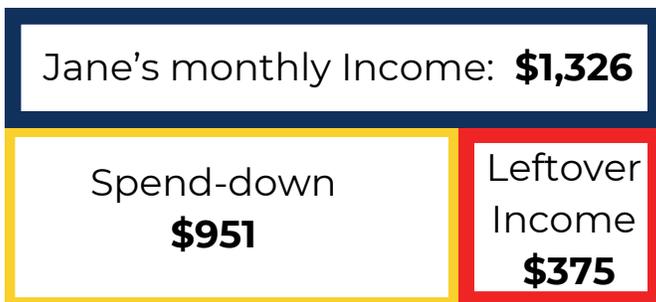
A spend-down that lets people keep 100% of the Federal Poverty Level of **\$1,325 per month is better**. People could cover basic living expenses before spending the rest of their income on healthcare to qualify for Medicaid assistance.



Right Now



The Fix



No one in Michigan should have to choose between health and survival.

Current Realities

\$375

The average person, who is on spend-down in Michigan, **keeps \$375 of their income** for monthly life expenses.



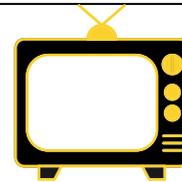
Of the 80,000 on Medicaid only 12% meet the monthly **Spend-down** amount.

72, 807

Average number of people in Michigan, per month, who go without Medicaid because they don't meet **Spend-down**.



Each month, you must fax/mail/hand deliver your **Spend-down** receipts to keep services.



The protected income (**Leftover Income**) amount has not changed since the 80s.

A Pension, Then the Pitfall

A woman in her 60s used to have full Medicaid coverage, but a small new pension changed her from Medicaid eligible each month to a Medicaid with a \$920 spend-down. Receiving just \$1,382 in SSDI each month, she fell behind on property taxes while paying Medicare coinsurance, copays, and prescriptions. She is in danger of losing her home.

Widowed and Priced Out of Care

A widow with diabetes lost full Medicaid coverage when her Social Security survivor benefits pushed her into the spend-down program. With a \$1,583 monthly deductible, she'd be left with just \$394 for rent and food if she sought Medicaid help. Without it, she couldn't afford her glucose monitor sensors or Medicare coinsurance and copays—and has no idea how she'll manage her diabetes going forward.



Michigan Elder
Justice Initiative



Disability
Rights
Michigan



Michigan Developmental
Disabilities Institute



Questions: Contact Sarah Slocum at, sslocum@meji.org

**DETROIT WAYNE INTEGRATED HEALTH NETWORK
BOARD ACTION**

Board Action Number: 24-50R Revised: Y Requisition Number:

Presented to Full Board at its Meeting on: 7/16/2025

Name of Provider: Warriors Pharmacy Inc

Contract Title: Care Center Pharmacy Services

Address where services are provided: None

Presented to Finance Committee at its meeting on: 7/2/2025

Proposed Contract Term: 3/1/2024 to 2/28/2027

Amount of Contract: \$ 704,000.00 Previous Fiscal Year: \$ 360,000.00

Program Type: Modification

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

Date Contract First Initiated: 2/19/2024

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 DWIHN Crisis Services Department is requesting a modification to BA# 24-50, Pharmacy Services for the 707 Crisis Care Center.

The contract for pharmacy services originally went out for bid in February 2024 and was awarded to Warrior's Pharmacy as not to exceed \$360,000 for a three-year period ending February 28, 2027. At the time of the original board action, the 707 Crisis Care Center was not open and therefore the amount was a projection of usage and cost. The request for this modification is to align the contract with actual utilization and costs based on the first year of operations.

We therefore request an increase of \$344,000.00 to the existing contract in order to continue operations without interruption. **This modification would bring the total contract amount not to exceed \$704,000 for the 3 year period.**

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

Source of Funds: Multiple

Fee for Service (Y/N):

Revenue	FY 24/25	Annualized
MULTIPLE	\$ 704,000.00	\$ 704,000.00
	\$	\$
Total Revenue	\$	\$

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

Type of contract (Business/Clinical): Business

ACCOUNT NUMBER: 64950.817201.00000

In Budget (Y/N)? Y

Approved for Submittal to Board:

James White, Chief Executive Officer

Stacie Durant, Vice President of Finance

Signature/Date:

Signature/Date:

James White

Stacie Durant

Signed: Friday, June 27, 2025

Signed: Wednesday, June 25, 2025

**DETROIT WAYNE INTEGRATED HEALTH NETWORK
BOARD ACTION**

Board Action Number: 24-55R Revised: Y Requisition Number:

Presented to Full Board at its Meeting on: 7/16/2025

Name of Provider: Maurers Textile Rental Services Inc

Contract Title: Linen Services at 707 Crisis Care Center

Address where services are provided: None

Presented to Finance Committee at its meeting on: 7/2/2025

Proposed Contract Term: 3/1/2024 to 2/28/2027

Amount of Contract: \$ 181,584.00 Previous Fiscal Year: \$ 136,584.00

Program Type: Modification

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

Date Contract First Initiated: 2/19/2024

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 DWIHN Crisis Services Department is requesting a modification to BA#24-55 – Linen Services at 707 Crisis Care Center. In order to continue operations without interruption, we are requesting an increase in the amount of \$45,000 for a **total contract amount not to exceed \$181,584**, with no extension in time, to the existing contract that is set to expire on February 28, 2027.

The contract for linen service originally went out to bid in December 2023 and was awarded to Maurer’s Textile Rental Services, Inc. as not to exceed \$136,584. At the time of the original board action, the 707 Crisis Care Center was not open and the amount was estimated. The modification is requested to align with the actual utilization and costs based on the first year of operations.

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

Source of Funds: Multiple

Fee for Service (Y/N):

Revenue	FY 24/25	Annualized
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MULTIPLE	\$ 181,584.00	\$ 181,584.00
	\$	\$
Total Revenue	\$	\$

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

Type of contract (Business/Clinical): Business

ACCOUNT NUMBER: 64950.817203.00000

In Budget (Y/N)? Y

Approved for Submittal to Board:

James White, Chief Executive Officer

Stacie Durant, Vice President of Finance

Signature/Date:

Signature/Date:

James White

Stacie Durant

Signed: Friday, June 27, 2025

Signed: Wednesday, June 25, 2025

**DETROIT WAYNE INTEGRATED HEALTH NETWORK
BOARD ACTION**

Board Action Number: 24-70R Revised: Y Requisition Number:

Presented to Full Board at its Meeting on: 7/16/2025

Name of Provider: Considine Little Rock Life Center

Contract Title: Leasing Space at Considine Little Rock Center

Address where services are provided: None

Presented to Finance Committee at its meeting on: 7/2/2025

Proposed Contract Term: 8/1/2025 to 7/31/2026

Amount of Contract: \$ 84,000.00 Previous Fiscal Year: \$ 63,000.00

Program Type: Continuation

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

Date Contract First Initiated: 3/1/2022

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).

DWIHN is requesting Board approval to exercise the additional one-year option to continue our current lease at the Considine Little Rock Life Center. The Considine is adjacent to our Woodward facility and it allows DWIHN to be able to store, package and distribute all the organizational materials to the public. In addition the organization is able to conduct larger community engagement meetings with ample meeting space and parking.

DWIHN has the exclusive use of its auditorium for hosting public gatherings and community outreach services. The space will additionally help to aid in building community relationships by offering needed community space to members of the local block clubs and neighborhood associations to have access to this space for large community gatherings.

We are requesting a **one-year contract extension renewal until July 31, 2026 with a funds increase in the amount of \$21,000 with contract total not to exceed \$84,000.**

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

Source of Funds: Multiple

Fee for Service (Y/N):

Revenue	FY 24/25	Annualized
MULTIPLE	\$ 84,000.00	\$ 84,000.00
	\$	\$
Total Revenue	\$	\$

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

Type of contract (Business/Clinical): Business

ACCOUNT NUMBER: 64922.941000.00000

In Budget (Y/N)? Y

Approved for Submittal to Board:

James White, Chief Executive Officer

Stacie Durant, Vice President of Finance

Signature/Date:

Signature/Date:

James White

Signed: Friday, June 27, 2025

Stacie Durant

Signed: Wednesday, June 25, 2025

DETROIT WAYNE INTEGRATED HEALTH NETWORK BOARD ACTION

Board Action Number: 25-25R5 Revised: Requisition Number:

Presented to Full Board at its Meeting on: 7/16/2025

Name of Provider: Detroit Wayne Integrated Health Network

Contract Title: FY 2025 Operating Budget

Address where services are provided: None

Presented to Finance Committee at its meeting on: 7/2/2025

Proposed Contract Term: 10/1/2024 to 9/30/2025

Amount of Contract: \$ 1,253,700,167.00 Previous Fiscal Year: \$ 1,150,651,761.00

Program Type: Modification

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

Date Contract First Initiated: 10/1/2024

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 proposed budget amendment serves to certify/ decertify the following revenues and authorize changes to expenditures in a like amount:

1. Decertify grant funds totaling \$6.9 million
 - \$4.2 million – Adult Crisis Stabilization Unit startup grant (Federal stop spend order)
 - \$2.6 million – Wayne County Strong (Federal program ended)
 - \$182K block grant revenue over budgeted in error
2. Decertify State construction grant revenues of \$19.8 million. Funds will be recertified in the FY 2026 budget to cover construction costs for the 7-Mile and Downriver Integrated Care Centers.
3. Certify additional Medicaid and HMP revenue totaling \$32.9 million resulting from base capitation amendments for inpatient, community living supports, and autism services. \$13.7 million of the additional revenue has been used to reverse Medicaid reserves; the remaining amount covers additional projected Medicaid/ HMP services.

The revised FY 2025 Operating Budget of \$1,253,700,167 consists of the following revenue:

- \$987,179,305 - Medicaid, DHS Incentive, Medicaid-Autism, Children's/SED Waiver, HAB, CCBHC Supplemental
- \$153,563,163 - Healthy MI Plan

- \$12,552,243 - MI Health Link
- \$21,460,905 - State General Funds
- \$23,486,447 - Wayne County Local Match Funds
- \$4,723,521 - County PA2 Funds
- \$13,576,540 - State Grants (MDHHS/ MDHHS SUD, OBRA)
- \$26,529,282 - Federal Grants (MDHHS/ MDHHS SUD, SAMHSA)
- \$953,543 - Local Grants
- \$6,260,000 - Interest Income
- \$40,000 - Miscellaneous Revenue
- **\$3,375,218 - Medicaid/ Local Reserves**

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

Source of Funds: Multiple

Fee for Service (Y/N):

Revenue	FY 24/25	Annualized
MULTIPLE	\$ 1,253,700,167.00	\$ 1,253,700,167.00
	\$	\$
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:

James White, Chief Executive Officer

Stacie Durant, Vice President of Finance

Signature/Date:

Signature/Date:

James White

Stacie Durant

Signed: Friday, June 27, 2025

Signed: Friday, June 27, 2025

Board Action #: 25-25R5