



Detroit Wayne Integrated Health Network

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Finance Committee Meeting
DWHN Administration Building
8726 Woodward Avenue
Detroit, MI 48202
Wednesday, April 1, 2026
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** – March 4, 2026
- VII. **Presentation of the Monthly Finance Report**
- VIII. **Unfinished Business:**
Staff Recommendations: **None**
- IX. **New Business:**
Staff Recommendations: **None**
- 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 who 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, ut rather responded to on an individual basis).
- XI. **Adjournment**

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



FINANCE COMMITTEE

MINUTES

MARCH 4, 2026

1:00 P.M.

**8726 WOODWARD AVE.
DETROIT, MI 48202
(HYBRID/ZOOM)**

MEETING CALLED BY	Ms. Dora Brown, Chair, called the meeting to order at 1:05 p.m.
TYPE OF MEETING	Finance Committee Meeting
FACILITATOR	Ms. Dora Brown, Chair
NOTE TAKER	Ms. Nicole Smith, Management Assistant to VP of Finance
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 attending Virtually: Ms. Karima Bentounsi</p> <p>Committee Members Excused: None</p> <p>Board Members Present: Dr. Cynthia Taueg, Board Chair Commissioner Kinloch</p> <p>SUD Oversight Policy Board Members Attending Virtually: Mr. Thomas Adams, Chair, SUD Oversight Policy Board</p> <p>Staff: Mr. James E. White, President and CEO; Mr. Manny Singla, Deputy Chief Executive Officer; Ms. Stacie Durant, VP of Finance; Ms. Brooke Blackwell, VP of Governmental Affairs; Ms. Yolanda Turner, VP of Legal Affairs; Ms. Monifa Gray, Associate VP of Legal Affairs; Ms. Sheree Jackson, VP of Corporate Compliance; Mr. Jody Connally, VP of Human Resources; Mr. Mike Maskey, Executive Director of Facilities; Dr. Shama Faheem, Chief Medical Officer; Ms. Grace Wolf, VP of Crisis Care; Ms. Rai Williams, Director of Contract Management; Mr. Keith Frambro, VP of Information Technology; and Ms. Jacqueline Davis, Associate VP of Access</p> <p>Staff Attending Virtually: Mr. Jeff White, Associate Vice President of Operations; Ms. Dhannetta Brown, Associate VP of Finance</p> <p>Guests: None</p>

AGENDA TOPICS

I. Roll Call Ms. Lillian M. 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

Ms. Brown, Chair, called for the Committee Members' remarks. There were no remarks from the Committee.

IV. Approval of Agenda

The Chair, Ms. Brown, called for a motion on the agenda. *Motion:* It was moved by Ms. Ruth and supported by Mr. McNamara with approval of the agenda. There was no further discussion. **Motion carried.**

V. Follow-up Items

The Chair called for any follow-up items. Ms. Blackshire noted there was one item. Provide a list of all Emergency Contracts, including how we got here and steps being taken to prevent this from occurring. Ms. Durant, CFO, responded to the Finance Committee's request in her monthly finance report. Finance performed the attached 5-year history of exigent and emergency board actions. It should be noted that the Jan Pro emergency purchase was the first in the past five years. The other board actions were exigent and approved by the board chair in accordance with board bylaws. Further noted, it is the first under the new CEO.

VI. Approval of the Meeting Minutes

The Chair, Ms. Brown, called for approval of the minutes from the meeting on Wednesday, February 4, 2026. **Motion:** It was moved by Ms. Ruth and supported by Mr. McNamara for approval of the Finance Committee minutes from the meeting on Wednesday, February 4, 2026. There were no corrections to the minutes. **Motion carried.** Minutes accepted as presented.

VII. Presentation of the Monthly Finance Report

S. Durant, VP of Finance, presented the Monthly Finance report. A written report for the 4 months ended January 31, 2026 was provided for the record. The DWIHN Finance accomplishments and noteworthy items to report were:

In accordance with MDHHS contractual deadlines, DWIHN submitted all FY25 final financial reports (i.e. FSR, EQI and LR) by the due date of 2/28/26. Below is a summary of the fiscal year 2025 operating results:

Exhausted HMP Medicaid carryover of \$12.7 million and abated (i.e. spent) \$10.1 million in Medicaid ISF; \$61.2 million remains in Medicaid ISF; \$76.6 million is maximum allowed; Medicaid expenses exceeded revenues totaled \$22.8 million (i.e. structural deficit); prior year amount \$20 million; an increase of \$2.8 million as compared to FY24; \$11.2 million incurred in excess General Fund; budget contemplated \$10.5 million. Current year local revenue was able to absorb the shortfall. DWIHN did not have to use local reserves. Attached is summary of actual costs as compared to budget; PA2 absorbed \$2.8 million in SUD block grant expenses; PA2 balance at 9/30/25 \$8.0 million as compared to \$9.9 million at the beginning of the fiscal year.

DWIHN offers several value-based incentives to the provider network. The following are additional payments received above and beyond the normal FFS revenue:

	Q1	Q2	Q3	Q4	Total
AMI	452,156	588,036	570,959	667,820	2,278,972
SED	219,401	273,276	262,340	214,531	969,547
IDD	182,815	138,680	171,651	263,796	756,942
HSW	37,000	19,000	24,000	23,000	103,000
					4,108,460

HSW incentive paid directly to support coordinators

In response to a follow-up at the full board, Finance performed the attached 5-year history of exigent and emergency board actions. It should be noted that the Jan Pro emergency purchase was the first in the past five years. The other board actions were exigent and approved by the board chair in accordance with board bylaws. Further noted, it is the first under the new CEO. Discussion ensued regarding the board action coming to the committee as an emergency and not as exigent. It was noted that the board action should have probably come as exigent as the Board Chair who has been given that authority for any situation. There was no further discussion.

Discussion ensued regarding the Medicaid ISF Balance and the structural deficit of \$22.8 million dollars and how the adjustments are made by the State at the end of the year. Discussion ensued regarding what we are doing to alleviate the \$20 million deficit; it was noted that the clinical team is taking a very deep look into the utilization guidelines and how we do business. The rates we receive from the state are not making the mark. We are looking at the service model, our utilization, hospitalization, recidivism and everything from a managed care perspective and ensuring that everything we are doing is fiscally responsible, but at the same time there are some things that we are looking to offset as we go forward event buildings that we already have acquired. Mr. White wanted the committee to know we are just not moving with a status quo mindset. Discussion ensued regarding the cost of the Care Center at 707; bringing PAR services in house, the Behavioral Health Urgent Care, the rates; whether we are getting enough money to pay for the services we are providing. There has to be a conversation with the state as to the dollars and the deficit we are running. We are providing the services, meeting the need; the need is great and the need is going to be even greater so we have to bring it into balance. The Committee requested a report at the Finance May meeting that will highlight what we are doing in the entire ecosystem to work towards eliminating the deficit internally, such as an operational report. The report should show the specific operational and clinical changes that we are going to make in order to close the gap, the numbers will be updated as the year progresses and what is projected out to be those savings. The report should start in March of what you have done and how much you have saved and what is in progress. **(Action)** Mr. White noted that the conditions of DWIHN is going to change exponentially in the next 60 days; there will be hiring for a new crisis center which means we will be treating more people and will have more costs. There will also be the opening of the new Crisis Center at 7 Mile.

Discussion ensued regarding the operational budget for the 7 Mile Crisis Center and it was requested that outreach dollars be included in the budget. **(Action)**

Discussion ensued regarding the restrictions of the PA2 funds; the awareness and outreach with youth; the improvement of the visual of our Instagram and that there has been a lot of improvement. There was also discussion regarding the vaping with young people and arming them with the facts and providing NarCan training with our youth. Ms. D. Clark, Director of Communications and Ms. B. Blackwell, VP of Government Affairs, provided updates on the number of impressions on the social media pages; upcoming events; and the work of Youth United.

Mr. Parker inquired as to whether the State was going to do a new bid on the RFP Mr. White noted that there was no mention of a new RFP at this time.

Cash flow is stable and should continue to remain so throughout the year as liquidity ratio = 2.17.

Cash and investments – represent amount of cash held with three (3) investment managers, First Independence Bank, Flagstar and Huntington Bank.

Due from other governments and Accounts Receivable – comprise various local, state and federal amounts due to DWIHN. Approximately \$8.2 million in SUD and Mental Health block grants due from MDHHS. In addition, MDHHS issued a FY25 rate adjustment for \$6.7 million that was paid in February 2026. Approximately \$26.6 million for 1st quarter and January 2026 pass-through HRA revenue and \$3.7 million for FY25 PBIP accrual.

The Accounts receivable consist primarily of outstanding amounts associated with the FY25 year-end closing (i.e. self-determination cost settlements @ \$1.5 million), \$2.9 million due from Wayne County for December and January local match, and \$1.75 million to Trillium Health.

IBNR Payable – represents incurred but not reported (IBNR) claims from the provider network; historical average claims incurred through January 31, 2026, were approximately \$314.1 million. However, actual payments were approximately \$247.6 million. The difference represents claims incurred but not reported and paid \$66.5 million.

State grants and contracts - The \$11.8 million variance is due to the timing related to 7 Mile Care Center and Ecorse Care Center grants.

Local grants – variance of \$3.3 million due to timing of PA2 and PBIP.

Autism, adult, children, IDD and SUD expenses - The \$8.3 million variance is consistent with the spending patterns in fiscal year 2025. It should be noted that Autism revenues are sufficient to over the autism costs over budget.

Note: DWIHN’s annual audit is underway; therefore, balances will change.

The Chair, Ms. Brown, noted that the Finance Monthly Report was received and filed.

VIII. Unfinished Business – Staff Recommendations: None

IX. New Business – Staff Recommendations: None

X. Good and Welfare/Public Comment

The Chair read the Good and Welfare/Public Comment statement. No members of the public requested to address the committee.

XI. Adjournment – There being no further business, The Chair, Ms. Brown, called for a motion to adjourn. **Motion:** It was moved by Ms. Ruth and supported by Ms. Garza Dewaelsche to adjourn. **Motion carried.** The meeting was adjourned at 2:14 p.m.

FOLLOW-UP ITEMS	1. Finance Committee requests an ongoing report from DWIHN staff on the plan of action to eliminate the 22-million-dollar deficit in operational costs. The report will focus on the operational and clinical expected changes and the projected savings. The first report is due at the May 6, 2026 meeting.
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**DWIHN Division of Management and Budget
Monthly Finance Report
For the five months ended February 28, 2026**

DWIHN Finance accomplishments and noteworthy items:

1. DWIHN has requested a 30-day extension to file the FY25 Financial Statement audit pending the auditors’ review of a subsequent event matter.
2. As the team is working on a cost reduction plan to address the \$20 million deficit, it should be noted that DWIHN is experiencing significant increases in residential costs. We are taking a deep dive; however, a few areas of interest are new member placement and increased assessment for duration (i.e. hours).
3. Finance will be bringing forth a request in May 2026 for revisions to the Cash and Investment Policy related to changes to the Public Act 20 and a revision in the concentration percentages of “investments” held in a single security type and held at a single financial institution.

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 = 1.99.

	MAR	APR	MAY	JUN	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB
DWIHN	1.92	1.69	1.53	2.18	2.31	2.65	1.97	2.05	2.64	2.40	2.17	1.99

- (A) Cash and investments – represent amount of cash held with three (3) investment managers, First Independence Bank, Flagstar and Huntington Bank.
- (B) Due from other governments and Accounts Receivable – comprise various local, state and federal amounts due to DWIHN. Approximately \$2.9 million in SUD and Mental Health block grants due from MDHHS. Approximately \$33.2 million for 1st quarter and January and February 2026 **pass-through** HRA revenue and \$3.7 million for FY25 PBIP accrual.

The Accounts receivable consist of \$1.5 million due from Wayne County for February 2026 local match, \$1.5 million for January and February PA2; and \$1.75 million to Trillium Health.
- (C) IBNR Payable – represents incurred but not reported (IBNR) claims from the provider network; historical average claims incurred through February 28, 2026, were approximately \$392.9 million. However, actual payments were approximately \$323.9 million. The difference represents claims incurred but not reported and paid \$68.9 million.
- (D) Due to other governments – Approximately \$3.9 million due to MDHHS for CCBHC FY25 cost settlement; and \$1.9 million related to January and February IPA tax payment.
- (E) State grants and contracts - The \$16.5 million variance is due to the timing related to 7 Mile Care Center and Ecorse Care Center grants.
- (F) MHL/DSNIP – variance due to uncertainty of DSNIP enrollment and activity; a budget adjustment is forthcoming.
- (G) Local grants – variance of \$4.2 million due to timing of PA2 and PBIP.
- (H) Autism, and IDD expenses - The \$26.2 million variance primarily due to the increase in residential costs. It should be noted that Autism revenues are sufficient to cover the autism costs over budget. A budget adjustment is forthcoming.

DETROIT WAYNE INTEGRATED HEALTH NETWORK

Statement of Net Position

As of February 28, 2026

Assets

Cash and investments	\$ 166,251,934	A
Investments in Internal Service Fund	67,063,831	A
Receivables		
Due from other governmental units	42,333,755	B
Accounts receivable	5,884,970	B
Less: allowance for uncollectible	(73,424)	
Prepayments and deposits	1,677,128	
Total current assets	<u>283,138,194</u>	
Capital assets, net of accumulated depreciation	<u>69,006,611</u>	
Total Assets	<u><u>\$ 352,144,805</u></u>	

Liabilities and Net Position

Liabilities

Accounts payable	\$ 37,760,965	
IBNR Payable	68,903,229	C
Due to Wayne County	614,671	
Due to other governments	6,471,860	D
Accrued wages and benefits	67,836	
Unearned revenue	291,326	
Accrued compensated balances	2,966,524	
Total current liabilities	<u>117,076,411</u>	
Notes Payable	<u>20,207,325</u>	
Total Liabilities	<u>137,283,736</u>	
Net Position		
Net investment in capital assets	47,049,253	
Restricted Opioid Settlement	2,031,437	
Restricted - PA2 funds	8,170,832	
Restricted Cash Collateral	2,119,445	
Internal Service Fund	63,980,478	
Unrestricted	91,509,624	
Total Net Position	<u>214,861,069</u>	
Liabilities and Net Position	<u><u>\$ 352,144,805</u></u>	

DETROIT WAYNE INTEGRATED HEALTH NETWORK
Statement of Revenues, Expenses and Changes to Net Position
For the Five Months Ending February 28, 2026

	February 2026			Year to Date			
	Budget	Actual	Variance	Budget	Actual	Variance	
Operating Revenues							
Federal grants	\$ 2,011,361	\$ 1,401,226	\$ (610,135)	\$ 10,056,805	\$ 6,731,765	\$ (3,325,040)	
State grants and contracts	93,100,486	88,530,644	(4,569,842)	465,502,430	448,944,430	(16,558,000)	E
MI Health Link/DSNIP	261,505	448,416	186,911	1,307,525	5,432,406	4,124,881	F
Local grants and contracts	2,645,970	2,598,525	(47,445)	13,229,850	8,999,417	(4,230,433)	G
Use of Revenues	1,364,571	-	(1,364,571)	6,822,855	-	(6,822,855)	
Other charges for services	3,333	6,729	3,396	16,665	29,399	12,734	
Total Operating Revenues	99,387,226	92,985,540	(6,401,686)	496,936,130	470,137,417	(26,798,713)	
Operating Expenses							
Salaries	2,848,113	2,514,060	334,053	14,240,565	12,324,826	1,915,739	
Fringe benefits	1,133,151	962,513	170,638	5,665,755	4,953,733	712,022	
Substance abuse services	5,473,813	5,060,722	413,091	27,369,065	25,505,561	1,863,504	
Autism Services	8,746,315	9,978,139	(1,231,824)	43,731,575	52,364,292	(8,632,717)	H
MI HealthLink	172,942	264,085	(91,143)	864,710	2,009,383	(1,144,673)	F
Adult Services	30,451,011	30,732,396	(281,385)	152,255,055	147,229,360	5,025,695	
Children Services	3,325,470	3,956,215	(630,745)	16,627,350	19,229,919	(2,602,569)	
Care Center	2,547,151	2,088,699	458,452	12,735,755	9,931,913	2,803,842	
Direct Services	1,491,841	720,895	770,946	7,459,205	3,606,815	3,852,390	
Intellectual Developmental Disabled	35,158,496	39,130,655	(3,972,159)	175,792,480	193,317,440	(17,524,960)	H
Grant Programs	904,582	707,487	197,095	4,522,910	2,559,626	1,963,284	
State of Michigan	1,458,136	1,798,833	(340,697)	7,290,680	7,501,316	(210,636)	
Depreciation	308,333	308,333	308,333	1,541,665	1,061,777	479,888	
Other operating	1,829,899	1,958,060	(128,161)	9,149,495	6,351,583	2,797,912	
Total Operating Expenses	95,849,253	99,872,759	(4,023,506)	479,246,265	487,947,544	(8,701,279)	
Operating Revenues over (under) Expenses	3,537,973	(6,887,219)	(2,378,180)	17,689,865	(17,810,127)	(35,499,992)	
Non-operating Revenues (Expenses)							
Investment Earnings	521,666	809,989	288,323	2,608,330	4,195,563	1,587,233	
Total Non-operating Revenues (Expenses)	521,666	809,989	(288,323)	2,608,330	4,195,563	(1,587,233)	
Change in Net Position	4,059,639	(6,077,230)	(2,666,503)	20,298,195	(13,614,564)	(33,912,759)	
Net Position - Beginning of year					228,475,633	228,475,633	
Net Position - End of Year	\$ 4,059,639	\$ (6,077,230)	\$ (2,666,503)	\$ 20,298,195	\$ 214,861,069	\$ 194,562,874	

DETROIT WAYNE INTEGRATED HEALTH NETWORK
Statement of Cash Flows
For the Five Months Ending February 28, 2026

Cash flows from operating activities	
Cash receipts from the state and federal governments	\$ 465,319,677
Cash receipts from local sources and customers	8,942,674
Payments to suppliers	(478,813,455)
Payments to employees	<u>(34,749,647)</u>
Net cash provided by (used in) operating activities	<u>(39,300,752)</u>
Cash flows from capital and related financing activities	
Acquisition of capital assets	(4,805,687)
Principle and interest paid on capital debt	<u>(239,225)</u>
Net cash provided by (used in) capital and related financing activities	(5,044,912)
Cash flows from investing activities	
Interest received on investments	4,195,563
Proceeds from sale of assets	<u>-</u>
Net cash provided by investing activities	<u>4,195,563</u>
Net increase (decrease) in cash and cash equivalents	(40,150,101)
Cash and investments - beginning of period	<u>273,465,867</u>
Cash and investments - end of period	<u><u>\$ 233,315,765</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities	
Operating income (loss)	\$ (17,810,129)
Adjustments to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation	1,109,704
Decreases (increases) in current assets:	
Accounts receivable	5,764,735
Prepayments and deposits	2,219,412
Due from other governmental units	642,850
Due from Wayne County	
Other assets	
Increases (decreases) in current liabilities:	
Accounts and contracts payable	(93,949,820)
IBNR Payable	68,903,229
Accrued wages	(4,137,637)
Due to Wayne County	614,671
Due to other governmental units	(375,116)
Unearned revenue	<u>(2,282,651)</u>
Net cash provided by (used in) operating activities	<u><u>\$ (39,300,752)</u></u>