



# Detroit Wayne Mental Health Authority

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## Finance Committee Meeting Wednesday, July 3, 2019 2<sup>nd</sup> Floor Training Rooms A and B 1:00 p.m.

### AGENDA

- I. **Call to Order**
- II. **Roll Call**
- III. **Approval of Agenda**
- IV. **Follow-Up Items**
  - A. Provide an update of the impact the new Mental Health hospitals in Oxford and Dearborn will have on Detroit Wayne Mental Health Authority (J. Davis)
  - B. Provide an overview of SUD Block Grant (who is eligible; where it originates and where monies can be spent)
  - C. Provide the Medical Loss Report generated by the State of Michigan
  - D. Provide a report on anticipated Autism losses
- V. **Approval of Minutes – June 5, 2019**
- VI. **Presentation of the Monthly Finance Report**
- VII. **Unfinished Business**

Staff Recommendations:
- VIII. **New Business**

Staff Recommendations:
- IX. **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).
- X. **Adjournment**

#### Board of Directors

Bernard Parker, Chairperson  
Dora Brown-Richards  
Kevin McNamara

Dr. Iris Taylor, Vice-Chairperson  
Dorothy Burrell  
William T. Riley, III

Timothy Killeen, Treasurer  
Lynne F. Carter, M.D.  
Dr. Cynthia Tauveg

Ghada Abdallah, RPh, Secretary  
Angelo Glenn

Willie E. Brooks, Jr., President and CEO



State of Michigan, Department of Health and Human Services  
 MLR Report for State Fiscal Year 2018  
 Medicaid MLR Summary Calculation for Detroit Wayne Mental Health Authority  
 Incurred Period: October 2017 - September 2018  
 Paid Through Date: January 31, 2019

**MLR Calculation**

1. Numerator		Formula	Specialty Services and Supports Waiver	Healthy Michigan Plan	Total Behavioral Health
1.10	Total Incurred Claims		\$ 559,036,989	\$ 88,224,686	\$ 647,261,675
2.2 a -2.2 g	Total Quality Improvement		\$ 2,774,851	\$ 378,389	\$ 3,153,240
<b>Total Numerator</b>		[Incurred Claims + Quality Improvement + Fraud Prevention Activities]	<b>\$ 561,811,840</b>	<b>\$ 88,603,075</b>	<b>\$ 650,414,915</b>

  

2. Denominator		Formula	Specialty Services and Supports Waiver	Healthy Michigan Plan	Total Behavioral Health
3.8	Total Premium Revenue		\$ 581,880,115	\$ 96,101,046	\$ 677,981,161
4.5	Total Taxes and Fees		\$ 3,435,979	\$ 271,925	\$ 3,707,904
<b>Total Denominator</b>		[Premiums - Taxes and Fees]	<b>\$ 578,444,136</b>	<b>\$ 95,829,121</b>	<b>\$ 674,273,257</b>

  

3. Credibility Adjustment		Formula	Specialty Services and Supports Waiver	Healthy Michigan Plan	Total Behavioral Health
5.1	Member Months Credibility		5,537,012 Fully Credible	2,196,354 Fully Credible	7,733,366 Fully Credible
<b>Credibility Adjustment</b>		[Data Collection: Line 5.2]	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

  

4. MLR Calculation		Formula	Specialty Services and Supports Waiver	Healthy Michigan Plan	Total Behavioral Health
Unadjusted MLR		[Total Numerator / Total Denominator]	97.12%	92.46%	96.46%
Credibility Adjustment			0.00%	0.00%	0.00%
<b>Adjusted MLR</b>		[Unadjusted MLR + Credibility Adjustment]	<b>97.12%</b>	<b>92.46%</b>	<b>96.46%</b>

Comments/Notes:

# FINANCE COMMITTEE

**MINUTES**

**JUNE 5, 2019**

**1:00 P.M. 2<sup>ND</sup> FLOOR BOARD ROOM**

<b>MEETING CALLED BY</b>	I. The meeting was called to order by the Vice Chair, Mr. McNamara at 1:00 p.m.
<b>TYPE OF MEETING</b>	Finance Committee Meeting
<b>FACILITATOR</b>	Mr. Kevin McNamara, Vice-Chair/Commissioner Tim Killeen, Chair – Finance Committee
<b>NOTE TAKER</b>	Lillian M. Blackshire, Board Liaison
<b>ATTENDEES</b>	<p><b>Finance Committee Members Present:</b>            Commissioner Tim Killeen, Chair            Mr. Kevin McNamara, Vice Chair            Ms. Ghada Abdallah            Ms, Dora Brown-Richards            Ms. Dorothy Burrell</p> <p><b>Committee Members Excused:</b> Dr. Cynthia Tauieg</p> <p><b>Board Members Present:</b> Mr. Bernard Parker, Board Chair</p> <p><b>Board Members Excused:</b> None</p> <p><b>Staff:</b> S. Durant; B. Blackwell; D. Lasenby; J. Davis; K. Burnett; and E. Doeh</p> <p><b>Guests:</b> None</p>

**AGENDA TOPICS**

**II. Roll Call            L. Blackshire**

<b>DISCUSSION</b>	Roll Call was taken by Committee Member and Board Secretary, Ms. Abdallah and a quorum was present.
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**III. Approval of Agenda**

The Vice Chair, Kevin McNamara called the meeting to order and noted the Chair, Commissioner Killeen would soon be in attendance. The Vice Chair called for a motion on the agenda. **Motion:** It was moved by Mr. Parker and supported by Ms. Abdallah approval of the agenda. **Motion carried.**

**IV. Follow-up Items**

- a. Proved an update of the impact the new Mental Health Hospitals in Oxford and Dearborn will have on Detroit Wayne Mental Health Authority J. Davis, Director of Access and Crisis Services reporting. A verbal report was given. An update was provided on the breakdown of the beds; it was noted that DWMHA has been invited to participate on the Steering Committee. Discussion ensued regarding conversations that had been held regarding the new facilities and integrated care. The Committee Chair suggested that staff work with Beaumont Hospital so that there is a coordinated effort on messaging. Record reflects Commissioner Killeen arrived at meeting and proceeded to Chair the meeting.

**V. Approval of the Meeting Minutes** – May 1, 2019 - The Chair called for a motion on the minutes from the meeting of Wednesday, May 1, 2019 **Motion:** It was moved by Mr. McNamara and supported by Ms. Burrell approval of the minutes of Wednesday, May 1, 2019. **Motion carried.**

**VI. SUD Provider Reallocation** – S. Durant reporting. A written report was provided for the record. A brief history was given regarding the SUD Reallocation Policy on Block grant funds and the sending of funds back to the State if not spent. The report notes the reallocation of monies from the initial Provider to a different provider. Discussion ensued regarding the criterion used for reallocation. K. Burnett, SUD Finance Manager gave an overview of the process which is used and is based on a percentage point of funds used during the course of the year. Discussion ensued regarding services provided and if there should be a review of services if providers are unable to spend their allocated dollars; i.e., has there been a change in their services. Discussion ensued regarding CDBG Block Grant funding. The Committee requested a report that provides an overview of SUD Block grant, where it originates; who is eligible to receive it and where monies can be spent. (Action)

**VII. Presentation of the Monthly Finance Report** – S. Durant reporting. A written Monthly Finance Report for the seven months ended April 30, 2019 was included in the Finance Agenda packet. Financial reports were also available in the packet. The following accomplishments and noteworthy items were discussed:

**Authority Finance accomplishments and noteworthy items**

1. Issued the 2018 460 Administrative Cost Report (attached) and noted the overall PIHP (all Medicaid) admin rate was 6.4% compared to 6.0% in prior year. The increase of .4% is related to the additional \$1 million in ICA admin and the additional \$2.1 million in the Links admin due to increased expenditures; admin rates is based on a percentage of prior year costs. Discussion ensued regarding the Administrative Cost Report. It was noted the report shows how much Administrative cost the Authority as whole incurred for FY18. CFO Durant gave an overview of the amount spent on delegated organizations for mandated services in the PIHP contract. and administrative costs. Discussion ensued regarding the overall Administrative cost for the Authority and how the number is used for comparisons with the Health Plans. Discussion also ensued regarding the Medical Loss Report that is due to the State on June 30<sup>th</sup> which makes the comparison of the Authority numbers more similar to the Health Plan numbers (for an apples to apples comparison). CFO Durant to provide the Medical Loss Report to the Finance Committee in July (Action). Discussion ensued regarding the 990 Tax return information and the Administrative rates for non-profit and for-profit Providers.
2. Finance is finalizing CLS transition and two board actions will be presented to PCC: first board action - revised board action 19-26 Provider Network. This action will include estimated costs for three (3) months of MCPN activity, Fiscal Intermediary, and CLS (supports coordinator); and second board action –new fifteen (15) board action for CLS self-determination provider costs, ASO costs payable to CLS, and a training contract payable to CLS.
3. Several smaller Autism providers informed the Authority they will have to discontinue the program effective June 1, 2019. In an effort to stabilize the Autism program and await the increased Autism funding projected in FY20, the Authority will cost settle with these providers from June 1 to September 30, 2019 for an estimated cost of \$800,000; the Medicaid ISF will cover the costs. Thus, finance presents budget adjustment 19-35-015.

4. MCO and Finance reviewed board actions approved over the course of the year and noted several board actions whereby the actual contract with the individual vendor did not exceed \$50,000 (i.e. BA #19-14 Peer Mentoring Training Organization; BA #19-46 Peer Enterprise Initiative); these actions will no longer come to the board for approval however will be included in the Quarterly Procurement Reports. This item will be referred to the Policy Committee for review to ensure that it aligns with Procurement Ordinance Policy and other policies. (Action Refer to Policy Committee)
5. Treasurer scheduled FY20 Budget Hearing for August 7, 2019. The meeting will include the Finance Committee and Program Compliance Committee. A notice to be sent to the Board regarding the date and time. (Action)

**Balance Sheet** – There was discussion regarding the liability section of the balance sheet and the amount due to other governments for FY16. CFO received cost settlement letter dated May 17, 2019; estimated payout in June, 2019. The Committee Chair inquired about the Board Expense report and if it was included in the monthly Finance report; it was noted that the report came annually. Review Policy to determine frequency of Board Stipend report (Action). It was noted that the Healthy Michigan Plan Narrative Summary would be submitted on a semi-annually basis instead of a monthly basis. (Action) The Chair called for a motion on the Monthly Finance Report **Motion:** It was moved by Mr. McNamara and supported by Ms. Abdallah to accept the Monthly Finance Report and Financial Statements. **Motion carried.**

**VIII. Update Crisis Continuum Service System (CCSS) Update** – D. Lasenby, Chief Clinical Officer reporting. A written report was distributed for the record. It was reported that the Authority does have crisis services and is in compliance with the contract; the goal is to have a full crisis continuum. A high level overview was provided; it was noted that the Request for Information (RFI) was completed and posted in MITN and with our residential providers for specialized providers/homes. We are continuing to work with our Crisis Service Vendors – COPE; NSO; and NEG for adult services and with the Children’s Center; the Guidance Center and New Oakland for children’s services. Updates were given on the phone line and consolidating the call center. Also discussed Phase 3 and noted the Authority is in the final stages of selecting an Architect. A brief discussion ensued regarding the Work Plan that has been approved by the Board that outlined the Crisis Continuum.

#### **IX. President and CEO Update**

Mr. E. Doeh reporting in the absence of Mr. Brooks. A written report was provided for the record. A brief report was given on the highlights of the key indicators for an effective Mental Health System. Information was shared regarding the Mackinac Policy Conference; there were meetings with legislatures; Director Gordon; the Director of MDOC and the Lt. Governor. Meetings were productive; individuals are interested in what we are doing at Detroit Wayne as it pertains to the RFI for physical health and behavioral health and requests for meetings have been received. Discussion ensued regarding a notice that was sent out by CLS and the termination of residential leases. A brief discussion ensued regarding the suicide rates and the interview that had taken place with Channel 4 on how to recognize suicide indicators. Also discussed homelessness of teens in high school and other key indicators. It was recommended that Board members that are contacted by clients regarding CLS should refer them to Authority staff.

The Chair called for a motion on the President and CEO Update. **Motion:** It was moved by Mr. Parker and supported by Ms. Abdallah acceptance of the President and CEO update. **Motion carried.**

**X. Unfinished Business – Staff Recommendations**

A. **BA #19-28 (Revised) – Detroit Wayne Mental Health Authority FY2018-2019 Operating Budget Adjustment.** S. Durant reporting. This Board Action seeks approval to amend the FY 2018-2019 Operating Budget. Requesting four months support to Autism Providers. Discussion ensued regarding funding from the state. The Board Chair requested a report of anticipated losses for Autism services. (Action). The Committee Chair called for a motion on Board Action #19-28 (Revised). **Motion:** It was moved by Ms. Abdallah and supported by Ms. Brown-Richards to move BA #19-28 (Revised) to Full Board for approval. **Motion carried.** It was noted the date of the July meeting would remain unchanged and be held on Wednesday, July 3, 2019 at 1:00 p.m.

**XI. New Business – Staff Recommendations: None**

**XII. Good and Welfare/Public Comment** –The Chair read the Good and Welfare/Public Comment statement. **None**

**XIII. Adjournment** - The Chair called for a motion to adjourn. **Motion:** It was moved by Ms, Abdallah and supported by Mr. Parker to adjourn the meeting. **Motion carried.** Meeting adjourned at 2:50 p.m.

<b>FOLLOW-UP ITEMS</b>	Finance Committee Meeting of June 5, 2019		
1. Provide an update on the impact the new Mental Health hospitals in Oxford and Dearborn will have on Detroit Wayne Mental Health Authority.		J. Davis	July
2. Committee requested an overview of SUD Block Grant; provide who is eligible to receive it; where it originates and where monies can be spent.		S. Durant/K. Burnett	July
3. Provide the Medical Loss Report generated by the State of Michigan.		S. Durant	July
4. Individual Vendor contracts that did not exceed \$50,000 will no longer come to the Board for approval but would be included in the Quarterly procurement report. .Ensure change aligns with other policies. Review Procurement Ordinance. Item #4 form the June Monthly Finance Report - Refer to Policy Committee		S. Durant/ L. Blackshire	July
5. Review Quarterly Board Stipend expense for frequency – (Determine when last report was reviewed by the Committee).		L. Blackshire	July
6. Provide report on anticipated Autism losses.		S. Durant	July
MAY			
7. Commissioner Killeen to work on scheduling Senator Stabenow through local office for a visit to Finance Committee meeting.		T. Killeen	
8. The Committee requested the incentive based payment model be a part of the Budget discussion in July and be presented at the Program Compliance Committee meeting.		S. Durant	July

**DWMHA Division of Management and Budget  
Monthly Finance Report  
For the eight months ended May 31, 2019**

**Authority Finance accomplishments and noteworthy items:**

1. Quarterly Projected Use of Medicaid ISF at 9/30/19
2. Quarterly Projected Cash Flows as of 9/30/19
3. CFO requesting \$2 million in PA2 from SUD Advisory Board on July 15, 2019. Request is based on over \$20 million in projected cumulative Medicaid/HMP losses over the past two fiscal years.
4. Finance has reviewed and analyzed Carelink’s AMI standardized rates for CLS and Personal Care and effective October 1, 2019, rates will be revised for consumers receiving more than 4 hours of CLS (7.5%) and Personal Care (.1%), to a reflect the standardized hourly rate the Authority and workgroup developed for the same services for IDD consumers. Over 95% of consumers receive 4 hours or less; therefore although the revision will result in a reduction in costs, it is minimal to the system.

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

- Cash flow is very stable and should continue to remain stable throughout the year as liquidity ratio = 1.65 (Medicaid ISF balance not included).

	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY
Authority	2.41	2.22	1.94	1.62	1.48	1.48	1.42	1.54	1.47	1.49	1.65

Investment Held for Resale – represent the broker value of former New Center properties to be listed and sold (i.e. Blvd and Highland Park). The commercial broker provided a value less than Plante Cresa; CFO reduced value to broker recommendation of listing price.

Due from other governments - primarily represents amounts due from the State of Michigan related to FY18.

Accounts Receivable – Lakeridge Village and OGD receivables due for \$125,000 and \$427,000, respectively.

IBNR Payable – represents incurred but not reported (IBNR) claims from the provider network; actual claims paid through April 2019 was approximately \$325.1 million however estimated costs during the same period was approximately \$353.4 million.

Due to other governments – represents approximately \$12.8 million in FY16 lapsed HMP due upon cost settlement with MDHHS; historically cost settlements occurred in July/August. **CFO received costs settlement letter dated May 17, 2019; estimated payout in July 2019. CFO in dispute with Department regarding death pullback of \$1.3 million for FY16; which should reduce the amount of lapsed HMP.**

Detroit Wayne Mental Health Authority  
Balance Sheet  
As of May 31, 2019

Assets

Mental Health cash and investments	\$ 112,912,701
Investments in Internal Service Fund	19,931,822
Investment Held for Resale	1,645,000
Other cash and investments	1,000
Receivables	
Due from other governmental units	3,714,608
Accounts receivable	2,511,256
Prepayments and deposits	523,391
Total current assets	<u>141,239,778</u>
Capital assets, net of accumulated depreciation	<u>14,356,146</u>
<b>Total Assets</b>	<b><u><u>\$ 155,595,924</u></u></b>

Liabilities and Net Position

<b>Liabilities</b>	
Accounts payable	\$ 15,231,680
IBNR Payable	28,283,603
Due to Wayne County	9,255,378
Due to other governments	14,782,006
Accrued wages and benefits	-
Deferred revenue	200,347
Accrued compensated balances	794,743
Total current liabilities	<u>68,547,757</u>
Notes Payable	6,375,737
<b>Total Liabilities</b>	<b><u>74,923,494</u></b>
<b>Net Position</b>	
Net investment in capital assets	7,854,160
Restricted for risk reserve - Medicaid ISF	19,931,822
Unrestricted	<u>52,886,448</u>
<b>Total Net Position</b>	<b><u>80,672,430</u></b>
<b>Liabilities and Net Position</b>	<b><u><u>\$ 155,595,924</u></u></b>

DE IROU WAYNE MENTAL HEALTH AUTHORITY  
 Monthly Financial Report  
 For the Eight Months Ending May 31, 2019

	May 2019				Year to Date	
	Budget	Actual	Variance	Budget	Actual	Variance
<b>Operating Revenues</b>						
Federal grants	\$ 1,813,078	\$ 1,807,095	\$ (5,983)	\$ 14,504,621	\$ 13,392,545	\$ (1,112,076)
State grants and contracts	61,917,476	69,456,853	7,539,377	495,339,811	500,468,881	5,129,070
MI Health Link	604,000	574,016	(29,984)	4,832,003	7,259,561	2,427,558
Local grants and contracts	1,835,249	1,492,287	(342,962)	14,681,991	13,098,790	(1,583,201)
Use of Revenues	881,442	-	(881,442)	7,051,535	-	(7,051,535)
Other charges for services	-	3,857	3,857	-	55,690	55,690
<b>Total Operating Revenues</b>	<b>67,051,245</b>	<b>73,334,108</b>	<b>6,282,863</b>	<b>536,409,961</b>	<b>534,275,467</b>	<b>(2,134,494)</b>
<b>Operating Expenses</b>						
Salaries	1,362,634	1,381,639	(19,005)	10,901,071	10,650,814	250,257
Fringe benefits	512,072	500,420	11,652	4,096,574	3,800,998	295,576
Substance abuse services	5,200,260	3,986,844	1,213,416	41,602,081	38,866,851	2,735,230
MCPN services	8,851,726	12,174,300	(3,322,574)	70,813,809	97,394,400	(26,580,591)
Autism Services	3,790,624	4,391,266	(600,642)	30,324,995	35,506,973	(5,181,978)
MI HealthLink	604,000	578,364	25,636	4,832,003	6,880,078	(2,048,075)
Adult Services	18,658,084	22,845,658	(4,187,574)	149,264,670	154,271,244	(5,006,574)
Children Services	7,295,533	6,733,959	561,574	58,364,262	51,279,354	7,084,908
Intellectually Disabled	17,031,705	13,480,421	3,551,284	136,253,642	111,693,507	24,560,135
Grant Programs	647,676	534,282	113,394	5,181,411	4,394,668	786,743
State of Michigan	1,618,241	1,977,521	(359,280)	12,945,925	13,717,972	(772,047)
Depreciation	112,500	-	112,500	900,000	774,736	125,264
Other operating	1,449,524	1,170,403	279,121	11,596,187	8,456,824	3,139,363
<b>Total Operating Expenses</b>	<b>67,134,579</b>	<b>69,755,077</b>	<b>(2,620,498)</b>	<b>537,076,630</b>	<b>537,688,419</b>	<b>(611,789)</b>
<b>Operating Revenues over (under) Expenses</b>	<b>(83,334)</b>	<b>3,579,031</b>	<b>8,903,361</b>	<b>(666,669)</b>	<b>(3,412,952)</b>	<b>(1,522,705)</b>
<b>Non-operating Revenues (Expenses)</b>						
Investment Earnings	83,334	256,460	173,126	666,669	1,060,037	393,368
Contributions	-	-	-	-	(3,104)	(3,104)
<b>Total Non-operating Revenues (Expenses)</b>	<b>83,334</b>	<b>256,460</b>	<b>173,126</b>	<b>666,669</b>	<b>1,056,933</b>	<b>390,264</b>
<b>Change in Net Position</b>	<b>-</b>	<b>3,835,491</b>	<b>9,076,487</b>	<b>-</b>	<b>(2,356,019)</b>	<b>(1,132,441)</b>
<b>Net Position - Beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>83,104,451</b>	<b>83,104,451</b>
<b>Net Position - End of Year</b>	<b>\$ -</b>	<b>\$ 3,835,491</b>	<b>\$ 9,076,487</b>	<b>\$ -</b>	<b>\$ 80,748,432</b>	<b>\$ 81,972,010</b>

**DETROIT WAYNE MENTAL HEALTH AUTHORITY**  
**Statement of Cash Flows**  
**For the Eight Months Ending May 31, 2019**

Cash flows from operating activities	
Cash receipts from the state and federal governments	\$ 522,412,303
Cash receipts from the county of Wayne	13,154,181
Payments to suppliers	(518,678,128)
Payments to employees	<u>(14,071,796)</u>
Net cash provided by (used in) operating activities	<u>2,816,560</u>
Cash flows from capital and related financing activities	
Acquisition of capital assets	(272,337)
Payments on notes payable	<u>(328,508)</u>
Net cash provided by (used in) capital and related financing activities	(600,845)
Cash flows from investing activities	
Investment earnings	1,060,037
Proceeds from sale of assets	<u>-</u>
Net cash provided by investing activities	<u>1,060,037</u>
Net increase (decrease) in cash and cash equivalents	3,275,752
Cash and investments - beginning of period	<u>129,569,771</u>
Cash and investments - end of period	<u><u>\$ 132,845,523</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities	
Operating income (loss)	\$ (3,488,952)
Adjustments to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation and amortization	774,736
Decreases (increases) in current assets:	
Accounts receivable	4,138,407
Prepayments and deposits	(471,569)
Due from other governmental units	5,287,585
Due from Wayne County	
Other assets	
Increases (decreases) in current liabilities:	
Accounts and contracts payable	(33,210,029)
IBNR Payable	28,283,603
Accrued wages	(322,712)
Due to Wayne County	7,997,296
Due to other governmental units	1,963,169
Deferred revenue	<u>(8,134,975)</u>
Net cash provided by (used in) operating activities	<u><u>\$ 2,816,560</u></u>

**Medicaid and Healthy Michigan  
FY19 Projected Use of Medicaid ISF**

	FY18	FY19	Disposition of FY19 Deficit	Projected at 2/28/19
FY18 Operating Deficit (1)	\$33,933,213			
One Time Contractual Costs				
MCPN Contract Closeout costs	(5,800,000)			
New Center compliance exam	1,700,000			
New Center contract closeout costs	(3,164,818)			
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FY18 Operating Deficit (excluding one-time costs)	<u>26,668,395</u>			
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Operational Changes				
Estimated savings with SUD (45 to 29 days)		(1,600,000)		(1,600,000)
Estimated savings on admin expenses		(9,000,000)		(7,100,000)
Estimated savings on PMPM payments		(3,000,000)		(6,000,000)
Projected net increase in Medicaid revenue (2)		(6,000,000)		(6,000,000)
Prior year unsettled MCPN/DWMHA costs		2,000,000		2,000,000
Additional Autism costs		5,000,000		-
Spend down Medicaid costs		2,100,000		2,100,000
Additional costs for FFS PMPM providers		1,700,000		1,500,000
Additional hospital costs for increase in length of stay (@5%)		2,500,000		2,500,000
FY19 Projected Operating Deficit		<u>20,368,395</u>		<u>14,068,395</u>
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Disposition of FY19 Projected Operating Deficit				
Projected use of HMP savings			6,000,000	4,000,000
Potential use of PA2 funds (3)			2,000,000	1,000,000
Projected use of Medicaid ISF			12,368,395	9,068,395
Total Disposition of Deficit			<u>\$20,368,395</u>	<u>\$14,068,395</u>

(1) per Financial Status Report submitted to MDHHS 2/28/19

(2) based on receipts through 5/31/19

(3) requires approval from the SUD Oversight Policy Board

**Detroit Wayne Mental Health Authority  
Cash Flow Projections  
September 30, 2019**

	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19
<b>Cash flows from operating activities</b>							
Cash receipts from the state and federal governments	61,177,792	69,994,476	71,726,261	60,676,456	62,456,457	67,994,396	62,456,459
Cash receipts from the county of Wayne and others	2,716,179	2,131,990	3,350,047	2,073,871	2,073,871	2,073,871	3,223,871
Payments to suppliers and providers	(61,817,166)	(63,796,179)	(78,654,782)	(61,817,166)	(73,096,179)	(71,017,166)	(63,796,179)
Payments to employees	(2,661,082)	(1,734,856)	(1,882,059)	(1,919,700)	(1,958,094)	(2,995,884)	(2,036,418)
<b>Net cash provided by (used in) operating activities</b>	(584,277)	6,595,431	(5,460,533)	(986,539)	(10,523,945)	(3,944,783)	(152,267)
<b>Cash flows from capital and related financing activities</b>							
Acquisition of capital assets	(37,139)	(1,332)	(2,040)	(20,000)	(20,000)	(20,000)	(20,000)
Payments on notes payable	(42,745)	(41,708)	(41,446)	(42,000)	(42,000)	(42,000)	(42,000)
<b>Net cash provided by (used in) capital and related financing activities</b>	(79,884)	(43,040)	(43,486)	(62,000)	(62,000)	(62,000)	(62,000)
<b>Cash flows from investing activities</b>							
Investment earnings	143,329	132,569	256,460	180,000	180,000	180,000	180,000
Proceeds from sale of assets	-	-	-	377,000	1,000,000	-	-
<b>Net cash provided by investing activities</b>	143,329	132,569	256,460	557,000	1,180,000	180,000	180,000
<b>Net increase (decrease) in cash and cash equivalents</b>	(520,832)	6,684,960	(5,247,559)	(491,539)	(9,405,945)	(3,826,783)	(34,267)
<b>Cash and investments - beginning of period</b>	131,928,954	131,408,122	138,093,082	132,845,523	132,353,984	122,948,039	119,121,256
<b>Cash and investments - end of period</b>	131,408,122	138,093,082	132,845,523	132,353,984	122,948,039	119,121,256	119,086,989
<b>Estimated Cash and investments - end of period @ 2/28/19</b>	131,018,453	135,775,824	130,956,311	128,302,693	138,214,289	114,785,598	114,461,712