



Detroit Wayne Integrated Health Network

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Finance Committee Meeting Wednesday, January 5, 2021 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 - November 3, 2021**
- VII. **Presentation of the Monthly Finance Report**
- VIII. **4th Quarter FY21 Procurement Report**
- IX. **Unfinished Business:**
Staff Recommendations:
 - a. Board Action #19-62 R2 – Pyratech Security
 - b. Board Action #20-54 R4 – HEDIS/NCQA Professional Consultant Services
 - c. Board Action #22-12 R1 – DWIHN FY 2021-2022 Operating Budget
- X. **New Business:**
Staff Recommendations:
 - a. Board Action #22-35 – Westcomm Inc
 - b. Board Action #22-45 – Brooklyn Outdoor
- XI. **Good and Welfare/Public Comment**
Members of the public are welcome to address the Board during this time for no more than two minutes. (The Board Liaison will notify the Chair when the time limit has been met.) Individuals are encouraged to identify themselves and fill out a comment card to leave with the Board liaison; however, those individuals that do not want to identify themselves may still address the Board. Issues raised during Good and Welfare/Public Comment that are of concern to the general public and may initiate an inquiry and follow-up will be responded to and may be posted to the website. Feedback will be posted within a reasonable timeframe (information that is HIPAA related or of a confidential nature will not be posted but rather responded to on an individual basis).
- XII. **Adjournment**

Board of Directors

Angelo Glenn, Chairperson
Dorothy Burrell
Kevin McNamara

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

Dora Brown, Treasurer
Michelle Jawad

Dr. Cynthia Taueg, Secretary
Jonathan C. Kinloch

Eric W. Deitz, President and CEO



FINANCE COMMITTEE

MINUTES

NOVEMBER 3, 2021

1:00 P.M.

707 W. MILWAUKEE ST.
DETROIT, MI 48202
(ZOOM)

MEETING CALLED BY

I. Ms. Dora Brown, Chair called the meeting to order at 1:02p.m.

TYPE OF MEETING

Finance Committee Meeting

FACILITATOR

Ms. Dora Brown, Chair – Finance Committee

NOTE TAKER

Lillian M. Blackshire, Board Liaison

Finance Committee Members Present:

Ms. Dora Brown, Chair
Mr. Kevin McNamara, Vice Chair
Commissioner Jonathan C. Kinloch
Mr. Bernard Parker
Ms. Kenya Ruth

Committee Members Excused: None

Board Members Present:

ATTENDEES

Ms. Dorothy Burrell
Ms. Michelle Jawad
Dr. Cynthia Tauog

Board Members Excused: Mr. Angelo Glenn

Staff: Mr. Eric Doeh, CEO; Ms. Stacie Durant, CFO; Ms. Yolanda Turner, Deputy Legal Counsel; Ms. Tiffany Devon, Director of Communications; and Mr. Mike Maskey; Facilities Manager

Guests: None.

AGENDA TOPICS

II. Roll Call

Ms. Lillian Blackshire, Board Liaison

DISCUSSION

Roll Call was taken by Ms. Blackshire and a quorum was present.

III. Committee Member Remarks

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

IV. Approval of Agenda

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

V. Follow-up Items:

There were no follow up items noted on the agenda.

VI. Approval of the Meeting Minutes

The Chair, Ms. Brown called for a motion on the Finance Committee minutes from the meeting of Wednesday, October 6, 2021. **Motion:** It was moved by Mr. McNamara and supported by Ms. Ruth approval of the Finance Committee minutes from the meeting of Wednesday, October 6, 2021. There were no corrections to the minutes. **Motion carried.** Minutes accepted as presented.

VII. Presentation of the Monthly Finance Report

S. Durant, CFO presented the Monthly Finance report. A written report ending September 30, 2021 was provided for the record. Network Finance accomplishments and noteworthy items were as follows:

DWIHN Finance Team is working on the fiscal year ended September 30, 2021 financial statements in conjunction with the annual audit. Audited financial statements will be presented at the May 2022 finance committee meeting.

DWIHN obtained an updated Flagstar term sheet based on the revised plans for the Woodward location. Refer to revised Board action #21-68R under unfinished business. The terms are consistent with those approved by the board under the initial board action approved in June 2021. Upon final costing plans for Milwaukee, a board action will be presented to include the additional loan.

In response to a letter dated October 1, 2021, twenty-six (26) providers from four (4) lines of business were eligible for a stability payment. Thirteen (13) of the providers responded and were eligible for a total payment amount of \$4.3 million. The claims will be adjusted and payment will be disbursed over the next few weeks.

In addition to the aforementioned \$4.3 million in stability payments, DWIHN will be offering two additional network wide stability payments: (1) a lump sum retention payment to all provider staff that serve DWIHN members, both clinical and administrative, employed on September 30, 2021. The amount of the payment is unknown at this time pending the results of the survey due on November 12, 2021; and (2) Payment of overtime premiums (i.e. half time) for certain residential providers, in whole or part, for services performed during the fiscal year ended September 30, 2021. Although DWIHN's standardized rate of \$18.54/hr. factor in an overtime component, give the staff shortages, providers incurred an excess amount of overtime during the year. DWIHN anticipates disbursing the funds to providers in time for the holiday. DWIHN will have a better estimate of the amount available for distribution pending receipt of key funding information from MDHHS; we are hopeful this information will arrive by November 12th. DWIHN will keep the board apprised.

DWIHN will be implementing an across the board provider rate increase in January/February 2022 (potentially retroactive to October 1, 2021). Finance is awaiting receipt of a few Medicaid payments prior to determining the amount; however, the increase will be between 5-10 percent. Discussion ensued regarding the overtime payment amounts and the number of hours the payment would be based upon; the dollars that would be used to make the one-time lump sum payments and if the board need to approve the retention payment expenditures. CFO Durant noted the money for the incentive plans for our providers is within the budget and is only an allocation of the monies that have been approved as the money and the expenses are a part of the approved board budget. Discussion also ensued regarding the increase of the rates. It was noted that new rates are not being established; we are just adding on and giving something similar to a cost of living increase.

DWIHN is requesting a waiver of PA 152 of 2011 as applicable under section 8(1) "By a 2/3 vote of its governing body each year, prior to the beginning of the medical benefit plan coverage year, a local unit of government may exempt itself from the requirements of this act for the next succeeding medical benefit plan coverage year." The table included in the Board action depicts, currently during plan year 2021, DWIHN and employees are funding healthcare at 85% and 15%, respectively. The proposed waiver will result in DWIHN and Employees funding 86% and 14% respectively. In addition, the second table depicts the average over the past four (4) years, DWIHN has incurred \$3.6 million less in administrative costs compared to budget. Based on the unaudited fiscal year ended 2021; there is approximately \$3 million in excess budget compared to actuals. Thus, the \$800,000 request per the waiver is included in the approved budget. CFO Durant noted that there were questions asked earlier regarding language that allows this governing body to waive the hard cap – Legal has performed a review and the language has been included in the board action; the waiver does not carry over from year to year and would have to be approved each year by the board; and the percentages of what we are currently paying are also in the board action. It was noted that there was earlier discussion regarding if this action would impact the providers – a document was provided in the board action that outlined the last four fiscal years approved, adopted and amended administrative budget and DWIHN's actual audited administrative costs. Discussion ensued regarding the Board action and if DWIHN opted out of the hard cap could DWIHN pay 90% and the employees pay 10% which would still be in budget and would amount to approximately \$1.1 million dollars. There was also discussion regarding the context of the request and remaining aware of the legislature.

The Chair, Ms. Brown noted the Monthly Finance Report ending September 30, 2021 was received and filed.

VIII. Unfinished Business – Staff Recommendations:

a. Board Action #20-35 (Revision 2) – Tetra Tech – M. Maskey, Facilities Manager reporting. Staff is requesting modification of Board action #20-35R with TetraTech of Michigan, our existing architectural and engineering firm. The request is that the current contract amount be modified in an amount not to exceed of \$1,863,850.00 bringing the total contract amount to \$3,012,250.00. The modification will allow TetraTech to renovate the Woodward Building to provide office space for staff. Office space will be provided on floors one and two, a board room will be provided on the first floor and mix of facilities and office space will be provided on the lower level. The Milwaukee building will be renovated to provide mental health crisis stabilization services for the surrounding community. Crisis stabilization spaces will be provided on the first floor and crisis residential space will be developed on the second floor. Outdoor spaces will be developed. DWIHN has requested TetraTech to provide a proposal to assist with needed City Zoning submissions; City plan reviews, construction document development; bidding assistance and construction administration services. The Chair, Ms. Brown called for a motion on Board Action #20-35(Revised). **Motion.** It was moved by Mr. McNamara and supported by Ms. Ruth approval of Board Action #20-35 (Revised) to Full Board. **Motion carried.**

b. Board Action #21-68 (Revised) – Flagstar Bank – S. Durant, CFO reporting. Staff is requesting approval to enter into a financing agreement with Flagstar Bank in the amount not to exceed \$10,000,000. The financing agreement includes construction costs and equipment loan for the Woodward building. The term of the construction loan is for 42 months after the estimated 18-month construction draw period with a 20-year amortization period. In addition, the agreement include financing 80% of the invoice cost of new equipment. The term of the equipment loan is interest only for 18 months followed by monthly payments for 42 months based on a 5-year amortization period. The interest rate; non-refundable commitment fee and balloon payment information was provided in the Board action. The Chair, Ms. Brown called for a motion on Board Action #21-68 (Revised).

Motion. It was moved by Ms. Ruth and supported by Mr. McNamara approval of Board Action #21-68 (Revised) to Full Board. **Motion carried.**

IX. New Business – Staff Recommendations:

a. **Board Action #22-18 – Graham Media Group** – T. Devon, Director of Communications reporting. The Chair called for a motion. **Motion:** It was moved by Mr. Parker and supported by Commissioner Kinloch approval of BA#22-18 to Full Board. Staff is requesting the approval of a nine (9) month contract effective January 1, 2022 through September 30, 2022 for an amount not to exceed \$50,000 with WDIV-TV4/Graham Media. The services would include messaging discussing mental health, stigma, access to care and many other relevant topics. **Motion carried.**

b. **Board Action #22-19 Scripps** – T. Devon, Director of Communication reporting. The Chair called for a motion. **Motion:** It was moved by Mr. Parker and supported by Ms. Ruth approval of BA #22-19 to Full Board. Staff requesting board approval of an eleven-month contract effective November 17, 2021 through September 30, 2022 for an amount not to exceed \$50,000 with Scripps Media Inc. The services will include mental health and educational messaging across three media channels, WXYZ-TV7; TV 20 and Bounce. **Motion carried.**

c. **Board Action #22-30 PA 152 Waiver-** S. Durant, CFO reporting. Staff is requesting an exemption from PA 152 (the “Act”) to permit DWIHN to subsidize the healthcare coverage for the upcoming 2022 plan year for an estimated amount of \$800,000. Passed in 2011, the Act limits a public employer’s expenditures for medical benefits for its employees by imposing a “hard cap” on those expenditures. With two-thirds approval by the governing body each year, Section 8 of the Act allows the employer to exempt itself from the imposition of the hard cap. DWIHN’s administration has worked closely with Daly Merritt, our benefits broker, to secure quality and low-cost health care for staff. The broker requested quotes from other health plans however they refused to submit an offer due to lack of a competitive rate compared to the current carrier. Therefore, despite our best efforts, the cost of medical healthcare coverage for the staff under Blue Cross Blue Shield/BCN increased by 30% for the 2022 plan year, as compared to an increase of 3.70% in the hard cap. Due to restrictions under the Act, 100% of the 26.3% (30%-3.70%) increase must be borne by employees. Approval of the board action would allow a waiver of the hard cap provision and permit DWIHN to fund the aforementioned amount above hard cap. This board action must come before the Board each year prior to the open enrollment period and **is not** automatically extended beyond the date indicated 12/31/22. The Chair called for a motion. **Motion:** It was moved by Ms. Ruth and supported by Commissioner Kinloch approval of Board action #22-30 to Full Board. Discussion ensued regarding the recommendation that the split be as discussed earlier that DWIHN would pay 90% and employees would pay 10%. **Amended Motion:** The motion was amended by Ms. Ruth and supported Commissioner Kinloch to modify the Board action to reflect that DWIHN pay 90% of the cost and employees pay the remaining 10% of the cost of medical healthcare coverage. **Motion carried.** This Board action will move to the Special Full Board meeting scheduled immediately following the Finance Committee meeting.

d. **Board Action #22-39 Allen Law Group** – Y. Turner, Deputy Legal Counsel and J. Connally, Director of Human Resources reporting. The Chair called for a motion. **Motion:** It was moved by Mr. McNamara and supported by Mr. Parker approval of BA#22-39 to Full Board. Staff is requesting approval of a contract between DWIHN and the Allen Law Group. DWIHN is entering the Agreement for legal services for the period of October 1, 2021 through September 30, 2022 for an amount not to exceed \$125, 000. The Allen Law Group has a unique understanding of DWIHN’s business and provides expertise in employment, law, labor negotiations and other projects as assigned. They will continue to supplement the Legal Department and have agreed to a flat fee of \$12,000 per month to provide DWIHN with access

to two attorneys for transactional matters. This flat rate results in major costs savings to DWIHN as it equates to the salary of approximately 1.5 FTE's. The Allen Law Group has previously provided legal services to DWIHN. It is in the best interest of DWIHN to continue to utilize their services. **Motion carried.**

X. Good and Welfare/Public Comment – The Chair read the Good and Welfare/Public Comment statement. There were no members of the public to address the committee and there were no written comments.

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 Mr. McNamara to adjourn the meeting. **Motion carried.** The meeting adjourned at 2:00 p.m.

**FOLLOW-UP
ITEMS**

DWIHN Division of Management and Budget
Monthly Finance Report
For the two months ended November 30, 2021

DWIHN Finance accomplishments and noteworthy items:

1. In response to a letter dated October 1, 2021, twenty-six (26) providers from four (4) lines of business were eligible for a stability payment. Thirteen (13) of the providers responded and were eligible for a total payment amount of \$4.3 million. The claims will be adjusted and payment will be disbursed over the next few weeks. In addition, DWIHN identified Clubhouse services as eligible for financial stability and requested similar information. As a result of the review, an additional \$1.6 million was paid to five (5) Clubhouse providers.

DWIHN's total specific provider financial stability payments issued for fiscal year ended September 30, 2021 were \$6.9 million.

2. DWIHN offered two additional network wide stability payments:

(1) A lump sum retention payment to all provider staff that serve DWIHN members, both clinical and administrative, employed on September 30, 2021. Approximately 90% of the providers responded after DWIHN made three separate attempts to reach out to non-responsive providers. On Monday, December 6, 2021, DWIHN issued \$24.7 million in retention payments to two hundred ninety-two (292) providers for 13,000 full and part time employees. In addition, three hundred thirty-two (332) full time and ten (10) part-time/student interns and DWIHN staff were also eligible for the retention payment for a total of approximately \$755,000. DWIHN applied the same guidelines as the provider network. It should be noted that the amount disbursed to DWIHN employees were within the board approved budget for administrative costs for the fiscal year ended September 30, 2021.

(2) Payment of overtime premiums (i.e. half time) for certain residential providers, in part, for services performed during the fiscal year ended September 30, 2021. Although DWIHN's standardized rate of \$18.54/hr. factor in an overtime component, given the staff shortages, providers incurred an excess amount of overtime during the year. On December 7, 2021, DWIHN disbursed \$4.7 million to the provider network related to the overtime initiative.

3. Effective October 1, 2021, DWIHN will be implementing an across the board 5% rate increase for all fee for service programs, with the exception of Hospitals, COFR's, special provider negotiated rate contracts (i.e. Hope Network), Wayne County programs, Children Crisis contracts, COPE, MHL, Fiscal Intermediaries, Med Drop, PMPM providers, and federally funded grant programs (i.e. PASARR). DWIHN will be working with PCE to update the MHWIN contract records to reflect the revised rates on 1/1/22 however October – December claims will be retroactively adjusted and paid by early April 2022.
4. On November 15, 2021, MDHHS approved the SED value-based incentive model. The SED Children's' providers can earn up to \$2.5 million a year in value-based payments. In addition, on December 10, 2021, DWIHN met and introduced a similar value-based payment model to the AMI provider network. That same day, DWIHN submitted the request for all approval to MDHHS; they have 25 days to respond however we anticipate implementation effective January 1, 2022. The AMI providers can earn up to \$5.5 million per year in value-based payments.
5. DWIHN will be completing the final phase of System's Transformation whereby we will be phasing in the self-directed members from Community Living Services. DWIHN will begin the transition on 2/1/22 as members IPOS's expire. In an effort to ensure CLS's can continue to fulfil the contract terms during the transitional period, DWIHN will continue paying CLS the administrative rate for the remainder of the fiscal year. Effective immediately, DWIHN will hire 3 FTE's to administer the program for a total cost of approximately \$400,000, which will result in a savings of \$1.4 million. A budget adjustment will be forthcoming for the positions however it should be noted that the savings will occur in the next fiscal year.

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 = 2.50.

	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV
DWIHN	2.25	2.11	2.29	2.41	2.44	2.95	2.78	3.17	3.13	3.13	3.13	2.50

- (A) Cash and Investments – comprise of funds held by three (3) investment manager, First Independence CDARS, Comerica, and Flagstar accounts.
- (B) Due from other governments – comprise various local, state and federal amounts due to DWIHN. The account balance primarily related to \$5.9 million for MDHHS performance incentive and \$6.0 million due from MDHHS for SUD and MH block grant.
- (C) Accounts receivable and allowance for uncollectible – Approximately \$2.1 due from Molina for MHL; and \$2 million due from Wayne County for 4th quarter PA2 and November match payment. DWIHN recorded \$.5 million in an allowance for two SUD providers due to length of amount owed and likelihood of collections.
- (D) IBNR Payable – represents incurred but not reported (IBNR) claims from the provider network; historical average claims incurred through November 2021, including DCW hazard pay, was approximately \$117.9 million however actual payments were approximately \$57.1 million. The difference represents claims incurred but not reported and paid of \$60.8 million.
- (E) Due to other governments – includes \$8 million due to MDHHS for death recoupment and \$1.6 million for 2/3 of the 1st quarter IPA tax payable due January 30, 2022. In addition, the amount includes \$1.8 million due to MDHHS for FY20 general fund carryover in excess of 5% and \$.9 million for State facilities.
- (F) Federal revenue/grant program expenses – variance due to several grants not accrued due to timing of receiving invoices. In addition, the budget assumes revenues are incurred consistently throughout the year.
- (G) State revenue and contracts – Various due to pending budget adjustment for DCW revenues for approximately \$7.6 million for October and November receipts.
- (H) Autism, SUD, Adult, IDD and Children services – \$12.3 million variance due to impact of COVID on certain lines of business and timing in services (i.e. summer programs).

Note – The Statements of Net Position account balances are subject to change pending the completion of the 9/30/21 audited statements.

DETROIT WAYNE INTEGRATED HEALTH NETWORK

Statement of Net Position

As of November 30, 2021

Assets

Cash and investments	\$ 317,996,478	
Other cash and investments	1,000	
Receivables		
Due from other governmental units	12,104,808	B
Accounts receivable	5,910,499	C
Less: allowance for uncollectible	(487,838)	C
Prepayments and deposits	26,328	
Total current assets	335,551,275	
Capital assets, net of accumulated depreciation	12,992,031	
Total Assets	\$ 348,543,306	

Liabilities and Net Position

Liabilities		
Accounts payable	\$ 50,844,453	
IBNR Payable	60,804,169	D
Due to Wayne County	1,124,798	
Due to other governments	12,353,315	E
Accrued wages and benefits	193,847	
Unearned revenue	462,664	
Accrued compensated balances	1,357,485	
Total current liabilities	127,140,731	
Notes Payable	5,213,680	
Total Liabilities	132,354,411	
Net Position		
Net investment in capital assets	7,778,352	
Unrestricted - PA2 funds	4,619,781	
Unrestricted	203,790,762	
Total Net Position	216,188,895	
Liabilities and Net Position	\$ 348,543,306	
Cash remaining if all liabilities were paid with no consideration of the sell of capital assets	\$ 185,642,067	
Unrestricted Net Assets		
Medicaid and GF carryover	(41,500,000)	
Estimated DCW overpayment thru 11/30/21	(15,400,000)	
Replenishment ISF	(60,000,000)	
Increase in PA2	(2,000,000)	
Prior year unrestricted net assets plus current year estimate	(76,462,317)	
	8,428,445	

DETROIT WAYNE INTEGRATED HEALTH NETWORK
Statement of Revenues, Expenses and Changes to Net Position
For the Two Months Ending November 30, 2021

	Nov-21				Year to Date	
	Budget	Actual	Variance	Budget	Actual	Variance
Operating Revenues						
Federal grants	\$ 2,079,657	\$ 632,916	\$ (1,446,741)	\$ 4,159,314	\$ 868,267	\$ (3,291,047)
State grants and contracts	71,037,372	73,233,973	2,196,601	142,074,745	146,801,608	4,726,863
MI Health Link	823,844	939,368	115,524	1,647,687	1,509,183	(138,504)
Local grants and contracts	1,810,582	2,976,145	1,165,563	3,621,164	2,976,145	(645,019)
Other charges for services	3,333	3,054	(279)	6,667	39,144	32,477
Total Operating Revenues	75,754,788	77,785,456	2,030,668	151,509,577	152,194,347	684,770
Operating Expenses						
Salaries	1,994,754	1,860,804	133,950	3,989,507	2,727,870	1,261,637
Fringe benefits	762,486	598,578	163,908	1,524,973	1,149,282	375,691
Substance abuse services	5,120,477	6,393,101	(1,272,624)	10,240,955	6,638,940	3,602,015
Autism Services	7,396,537	10,049,761	(2,653,224)	14,793,075	10,732,237	4,060,838
MI HealthLink	823,010	1,424,338	(601,328)	1,646,021	1,599,361	46,660
Adult Services	24,966,578	36,539,766	(11,573,188)	49,933,154	42,234,321	7,698,833
Children Services	6,852,520	11,146,425	(4,293,905)	13,705,041	11,656,493	2,048,548
Intellectual Developmental Disabled	24,639,429	47,443,005	(22,803,576)	49,278,859	54,452,291	(5,173,432)
Grant Programs	823,546	990,985	(167,439)	1,647,092	991,282	655,810
State of Michigan	1,652,516	3,326,935	(1,674,419)	3,305,031	3,326,935	(21,904)
Depreciation	147,233	147,233	-	294,466	294,466	-
Other operating	659,035	286,666	372,369	1,318,070	578,151	739,919
Total Operating Expenses	75,838,121	120,060,364	(44,222,243)	151,676,244	136,087,163	15,589,081
Operating Revenues over (under) Expenses	(83,333)	(42,274,908)	46,252,911	(166,667)	16,107,184	16,273,851
Non-operating Revenues (Expenses)						
Investment Earnings	83,333	30,847	(52,486)	166,667	(33,137)	(199,804)
Total Non-operating Revenues (Expenses)	83,333	30,847	(52,486)	166,667	(33,137)	(199,804)
Change in Net Position	-	(42,244,061)	46,200,425	-	16,074,047	16,074,047
Net Position - Beginning of year						
Net Position - End of Year	\$ -	\$ (42,244,061)	\$ 46,200,425	\$ -	\$ 216,188,895	\$ 216,188,895

DETROIT WAYNE INTEGRATED HEALTH NETWORK
Statement of Cash Flows
For the Two Months Ending November 30, 2021

Cash flows from operating activities	
Cash receipts from the state and federal governments	\$ 156,712,412
Cash receipts from local sources and customers	3,015,289
Payments to suppliers	(133,597,052)
Payments to employees	<u>(4,792,691)</u>
Net cash provided by (used in) operating activities	<u>21,337,958</u>
Cash flows from capital and related financing activities	
Acquisition of capital assets	(31,572)
Principle and interest paid on capital debt	<u>(21,559)</u>
Net cash provided by (used in) capital and related financing activities	(53,131)
Cash flows from investing activities	
Interest received on investments	(33,137)
Proceeds from sale of assets	<u>-</u>
Net cash provided by investing activities	<u>(33,137)</u>
Net increase (decrease) in cash and cash equivalents	21,251,690
Cash and investments - beginning of period	<u>296,745,788</u>
Cash and investments - end of period	<u><u>\$ 317,997,478</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities	
Operating income (loss)	\$ 16,107,183
Adjustments to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation	
Decreases (increases) in current assets:	
Accounts receivable	437,303
Prepayments and deposits	349,069
Due from other governmental units	7,110,417
Increases (decreases) in current liabilities:	
Accounts and contracts payable	(63,759,658)
IBNR Payable	60,804,169
Accrued wages	(931,372)
Due to Wayne County	1,124,798
Due to other governmental units	110,415
Unearned revenue	<u>(14,366)</u>
Net cash provided by (used in) operating activities	<u><u>\$ 21,337,958</u></u>
Bank balance comprise the following @ November 30, 2021:	
Flagstar (\$2.1 million restricted for loan account)	276,621,012
Investment Managers	31,447,033
First Independence Bank (CDARS)	10,433,260
Comerica	<u>1,003,150</u>
	<u>\$319,504,455</u>



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MEMO

Date: November 12, 2021

To: Ms. Dora Brown, Chair
Finance Committee

From: Jean Mira
Procurement Administrator

Re: Fourth Quarter FY21 – Board Report for Procurements
Non-Competitive Under \$50,000 and All Cooperative Purchasing and
Emergency Procurements

In accordance with DWIHN Procurement Policy (Article 2.B.1 (b) Article 2.B.2 (c) and Article 2.B.7 (g)) the attached report is being submitted for all non-competitive procurements under \$50,000 for the 4th Quarter FY 2021 (July 1, 2021 to September 30, 2021). This report includes all cooperative purchases, including those over \$50,000, the total of all non-competitive procurements made in this quarter.

Contracts over \$50,000 are not included individually, as those procurements were previously approved by the Board via a Board Action, nor any other procurements previously approved per an approved Board Action. Additionally, the report shows “PO” (Purchase Orders) and “BO” (Blanket Orders). A “PO” is a one-year contract that expires at the end of the fiscal year, whereas, a “BO” is a multi-year or crossing fiscal years contract.

Please feel free to contact me if you have any questions.

Attachment

Board of Directors

Angelo Glenn, Chairperson
Dorothy Burrell
Kevin McNamara

Kenya Ruth, Vice Chairperson
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Dora Brown, Treasurer
Michelle Jawad

Dr. Cynthia Tauog, Secretary
Jonathan C. Kinloch

Eric W. Dege, President and CEO



Vendor Name	City	State	Zip Code	Document Date	Subtotal	Item Description	Comment	Policy Id	PO Nbr	Description	Department
4 Imprint	Oshkosh	WI	54901	9/25/2021	\$ 16,746.08	Imprint - giveaway supply at all-time low and we need to replenish Term: Spot Buy	CS	Comparative S ADMIN	PO22100333	4 Imprint - giveaway supply at all-time low	ADMIN
4 Imprint	Oshkosh	WI	54901	9/27/2021	\$ 5,941.00	Decrease line by \$1,700 Employee Appreciation Gifts Term: 10/01/2021 to 09/30/2022	REALLOCATED	PREVIOUS B/L ADMIN	PO22200000	Staff Appreciation Items	ADMIN
4 Imprint	Oshkosh	WI	54901	9/30/2021	\$ 473.95	purchase 200 handwarmers	unfilled	ADMIN	PO22100012	4 Imprint	ADMIN
Amazon Capital Services, Inc.	Seattle	WA	98109	8/11/2021	\$ 569.00	2 x MagiCard M330YMCKO Color Ribbon - YMCKO - 300 Prints with Bodo Software Demo	SM PUR	TECH	PO22100320	Headsets & Print Ribbons	TECH
Amazon Capital Services, Inc.	Seattle	WA	98109	8/20/2021	\$ 49.95	Wine Country Gift Baskets The Connoisseur Gourmet Gift Basket, Various, Pack of 1, 1 Count	SM PUR	TECH	PO22100326	Raffle Gift basket: Reaching for the Stars 2021	TECH
Amazon Capital Services, Inc.	Seattle	WA	98109	9/20/2021	\$ 55.80	Fishing 250Pcs Metal Badge Clips with Clear PVC Straps for ID Cards and Badge Holders	MODIFIED	Small Purchase TECH	PO22100327	ID Badge Clips	TECH
Bianco Tours	Taylor	MI	48180	8/10/2021	\$ 1,978.00	Shuttle bus transportation for the Walk-a-Mile in My Shoes Rally in Lansing TERM: SPOT BUY	SM PUR	Small Purchase	PO22100316	Bianco Tour Service for Walk-a-Mile in My Shoes	CUSTOMER
Blue Jeans Network, Inc	Mountain View	CA	94043	8/20/2021	\$ 12,000.00	PO request for comp. source between DWHN and Blue Jeans Network Term: 5/01/2021 to 6/01/2022	CS	Comparative S INTEG	BO22190059	Blue Jeans Network - Access for 500 @ \$12,000	INTEG
Blue Jeans Network, Inc	Mountain View	CA	94043	8/20/2021	\$ 15,147.60	PO request for comp. source between DWHN and Blue Jeans Network Term: 5/01/2021 to 6/01/2022	CS	Comparative S INTEG	BO22190060	Access for 500 @ \$12,000 and Standard Licenses	INTEG
BSB Communications Inc	Sterling Heights	MI	48314	9/8/2021	\$ 2,970.60	MIVoice Business SIP Trunks x50 Term: Spot Buy	C	Cooperative P TECH	PO22100342	Falover SIP Trunking Licenses (MIVoice Business)	TECH
Cascade Strategy USA Inc	Hillsboro	OR	97124	9/27/2021	\$ 14,952.00	Strategy Execution Platform - Unlimited Users Term: 02/22/2021 to 02/21/2024	CS	Comparative S ADMIN	BO22190061	Cascade Strategy USA, Inc.	ADMIN
CDW Government LLC	Vernon Hills	IL	60061	7/23/2021	\$ 415.57	HiD ISOPROX II Card, No slot Term: Spot Buy	C	Cooperative P TECH	PO22100308	Security ID Badges & Adhesives	TECH
CDW Government LLC	Vernon Hills	IL	60061	7/29/2021	\$ 197.08	Crestion battery Li Ion Term: Spot Buy	C	Cooperative P TECH	PO22100311	Crestion Batteries	TECH
CDW Government LLC	Vernon Hills	IL	60061	8/26/2021	\$ 2,442.96	Ovi Labs Meeting Owl Pro 1080p HD 360deg. Video Conferencing Camera Term: Spot Buy	C	Cooperative P TECH	PO22100337	Video Conferencing Cameras for Board	TECH
CDW Government LLC	Vernon Hills	IL	60061	9/13/2021	\$ 414.48	Quantum - LTO Ultrium 8 x 1 - 12 TB storage media Term: Spot Buy	C	Cooperative P TECH	PO22100345	Backup Solution Replacement Items (Req13104)	TECH
CDW Government LLC	Vernon Hills	IL	60061	9/27/2021	\$ 288.07	Camtasia 2021 Software License/Maintenance Term: Spot Buy	C	Cooperative P ADMIN	PO22100362	Camtasia Software License/Maintenance	ADMIN
CDW Government LLC	Vernon Hills	IL	60061	9/28/2021	\$ 19,144.22	NUTANIX PROD 24X7 SUP RNM Term: 10/01/2021 to 09/30/2022	C	Cooperative P TECH	PO22200101	Nutanix 2021 Maintenance & Support Renewal	TECH
Corrigan Moving and Storage Company	Auburn Hills	MI	48326	9/15/2021	\$ 4,000.00	Evasite Removal Term: 07/01/2021 to 09/30/2021	SM PUR	Small Purchase FACILITIES	PO22100357	Evasite Removal	FACILITIES
Dalix USA Inc	Chicago	IL	60606	7/20/2021	\$ 11,235.00	Dalix USA (PolicyStat Renewal) Term: 07/01/2021 to 06/30/2024	CS	Comparative S ADMIN	BO22190054	Dalix USA Inc	ADMIN
Fischer, Frank Kevin	Plymouth	MI	48170	8/19/2021	\$ 16,000.00	Community Outreach Advocacy Term: Spot Buy	CS	Comparative S ADMIN	PO22100325	Community Outreach Advocacy	ADMIN
Great Lakes Trophies & Engraving City	Garden City	MI	48135	7/9/2021	\$ 1,910.00	3 Board Member Chrystal awards & 10 Shining Star Staff appreciation awards Term: Spot Buy	SM PUR	Small Purchase ADMIN	PO22100301	3 Crystal Awards	ADMIN
Great Lakes Trophies & Engraving City	Garden City	MI	48135	8/30/2021	\$ 50.00	Board Member Name Plates Term: Spot Buy	SM PUR	Small Purchase ADMIN	PO22100338	Board Member Name Plates	ADMIN
Great Lakes Trophies & Engraving City	Garden City	MI	48135	9/7/2021	\$ 2,055.00	agreement with vendor to provide lapel pins w/logo for CJT Term: 8/1/21 to 9/30/21	SM PUR	Small Purchase INTEG	PO22100340	Great Lakes Awards - 200 Lapel Pins w/LOGO	INTEG
Hughes, Brandon	Southgate	MI	48195	9/16/2021	\$ 900.00	Video Production Services Term: Spot Buy	SM PUR	Small Purchase ADMIN	PO22100356	Video Production Services	ADMIN
Mann, Scott L	Ann Arbor	MI	48104	9/7/2021	\$ 690.00	Digital video editing Term: Spot Buy	SM PUR	Small Purchase CHILDREN	PO22100339	Video Editing Gender Affirming Care	CHILD
Michigan Assoc of Comm Mental Health Bca	Lansing	MI	48933	9/27/2021	\$ 450.00	Walk a Mile Rally Term: Spot Buy	SM PUR	Small Purchase ADMIN	PO22100361	Walk A Mile	ADMIN
Michigan Chronicle Publishing Co.	Detroit	MI	48226	7/9/2021	\$ 1,500.00	MI Chronicle Tabloid Term: Spot Buy Invoice # 13588	SM PUR	Small Purchase ADMIN	PO22100302	MI Chronicle	ADMIN
National Council on Alcoholism/Drug Dep	Detroit	MI	48212-156	8/20/2021	\$ 10,000.00	Michigan Celebrate Recovery Walk Term: 10/01/2020 to 09/30/2021	CS	Comparative S SUD	PO22100331	Michigan Celebrate Recovery Walk	SUD

Contract Name	County	PA	7/29/2021	7/16/2021	8/7/2021	8/17/2021	9/8/2021	9/22/2021	8/2/2021	8/20/2021	8/20/2021	Overall Total	WC Total	IT Total	Total without IT
Pinney Bowes Global Financial Services LLC	Pittsburgh	PA	15250-784												
Cooperative Pl															
Small Purchase															
Comparative \$															
Comparative \$															
Small Purchase															
Sole Source															
MOD															
Small Purchase															
Small Purchase															

Overall Total \$ 233,733.95
 WC Total \$ 84,405.98
 IT Total \$ 105,063.58
 Total without IT \$ 128,670.37

Contract Performance
 Wayne County 36.11
 Out County 63.89

Funding Percentage w/o IT
 Wayne County 65.60
 Out County 34.40

**DETROIT WAYNE INTEGRATED HEALTH NETWORK
BOARD ACTION**

Board Action Number: 19-62R2 Revised: Y Requisition Number:

Presented to Full Board at its Meeting on: 1/19/2022

Name of Provider: Pyratech Security Systems Inc

Contract Title: Pyratech Security

Address where services are provided: 'None'

Presented to Finance Committee at its meeting on: 1/5/2022

Proposed Contract Term: 2/1/2022 to 1/31/2023

Amount of Contract: \$ 642,977.00 Previous Fiscal Year: \$ 480,050.00

Program Type: Continuation

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

Date Contract First Initiated: 2/1/2019

Provider Impaneled (Y/N)? N

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

This board action is requesting the approval to exercise the one-year extension option from February 1, 2022 through January 31, 2023 for an amount not to exceed \$162,927 with Pyratech Security Systems. Pyratech provides physical security at DWIHN buildings. The contract was originally procured through the IFB process and issued for a 3-year contract with an one year extension option.

The total contract amount will not to exceed \$642,977.

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

Source of Funds: Multiple

Fee for Service (Y/N): N

Revenue	FY 22/23	Annualized
Multiple	\$ 642,977.00	\$ 642,977.00
	\$ 0.00	\$ 0.00

Total Revenue	\$ 642,977.00	\$ 642,977.00
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Recommendation for contract (Continue/Modify/Discontinue): Continue

Type of contract (Business/Clinical): Business

ACCOUNT NUMBER: 64922.817040.00000

In Budget (Y/N)? Y

Approved for Submittal to Board:

Eric Doeh, Chief Executive Officer

Stacie Durant, Chief Financial Officer

Signature/Date:

Signature/Date:

Eric Doeh

Stacie Durant

Signed: Thursday, December 16, 2021

Signed: Thursday, December 16, 2021

**DETROIT WAYNE INTEGRATED HEALTH NETWORK
BOARD ACTION**

Board Action Number: 20-54R(4) Revised: Y Requisition Number:

Presented to Full Board at its Meeting on: 1/19/2022

Name of Provider: Barr, Joseph J.

Contract Title: HEDIS/NCQA Professional Consultant Services

Address where services are provided: 'None'

Presented to Finance Committee at its meeting on: 1/5/2022

Proposed Contract Term: 1/5/2022 to 6/30/2022

Amount of Contract: \$ 187,940.00 Previous Fiscal Year: \$ 187,940.00

Program Type: Continuation

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

Date Contract First Initiated: 8/19/2019

Provider Impaneled (Y/N)? N

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

This Board Action is to request a **term extension only** of contractual Professional IT services for the period from 1/1/22 - 6/30/22. The funds allocated are sufficient to support the additional six months of the contract.

We would like Mr. Barr to continue assisting on a part-time basis with helping us generate HEDIS measures which is one of the prime requirements from data standpoint when it comes to both state reporting and NCQA compliance. Mr Barr has been instrumental in developing Risk Matrix and is continuing to help us extend the functionality and rollout to entire network.

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

Source of Funds: Multiple

Fee for Service (Y/N): Y

Revenue	FY 21/22	Annualized
Multiple	\$ 187,940.00	\$ 187,940.00

	\$ 0.00	\$ 0.00
Total Revenue	\$ 187,940.00	\$ 187,940.00

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

Type of contract (Business/Clinical): Business

ACCOUNT NUMBER: 64915.817000.00000

In Budget (Y/N)? Y

Approved for Submittal to Board:

Eric Doeh, Chief Executive Officer

Stacie Durant, Chief Financial Officer

Signature/Date:

Signature/Date:

Eric Doeh

Stacie Durant

Signed: Wednesday, December 8, 2021

Signed: Friday, December 3, 2021

**DETROIT WAYNE INTEGRATED HEALTH NETWORK
BOARD ACTION**

Board Action Number: 22-12 R1 Revised: Y Requisition Number:

Presented to Full Board at its Meeting on: 1/19/2022

Name of Provider: Detroit Wayne Integrated Health Network

Contract Title: FY 2021-2022 Operating Budget

Address where services are provided: 'None'

Presented to Finance Committee at its meeting on: 1/5/2022

Proposed Contract Term: 10/1/2021 to 9/30/2022

Amount of Contract: \$ 949,691,682.00 Previous Fiscal Year: \$ 927,640,119.00

Program Type: Modification

Projected Number Served- Year 1: 70,000 Persons Served (previous fiscal year): 70000

Date Contract First Initiated: 10/1/2021

Provider Impaneled (Y/N)?

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

This board action is requesting the approval to amend the FY 2022 Operating Budget. The amendment certifies/decertifies additional revenue of \$42,513,062 (net) as follows:

1. BA #22-35-001:

Certify Federal revenue of \$11,476,743 per a Milliman analysis of the PIHP Capitation Rates to determine the Certified Community Behavioral Health Clinic ("CCBHC") share of the rates (aka Supplemental). The additional revenue will be passed through to The Guidance Center and based on actual expenses incurred, MDHHS will cost settle the contract at year end.

2. BA #22-35-002:

Certify Medicaid/Healthy MI revenue of \$40,024,683 per Milliman's projection of the \$2.35/hr. Direct Care Worker wage hazard pay approved by Governor Whitmer in the FY22 State budget.

3. BA#22-35-002:

De-certify State General Fund revenue of \$8,988,364 per the FY22 Allocation to DWIHN from MDHHS.

4. In addition, the budget amendment includes increasing the budget for three (3) newly created positions at \$313,650 related to the hospital liaison team to handle crisis members in the hospitals; and three (3) newly created performance monitor positions at \$292,740. The three additional hospital liaison staff will assist in reducing hospital costs and divert members to lower levels of care. The three additional performance monitors will assist in ensuring DWIHN tracks and reviews key performance indicators requirements in the PIHP contract. The budgeted reserves were reduced by a like amount.

The revised FY 2022 operating budget, in the amount of \$949,691,682, includes revenues of \$21,460,905 (State General Funds); \$735,553,673 (Medicaid, DHS Incentive, Medicaid-Autism, Children's/SED Waiver, HAB); \$9,886,123 (MI Health Link); \$118,163,662 (Healthy MI - Mental Health and Substance Abuse); \$17,686,447 (Wayne County Local Match Funds); \$4,040,539 (PA2 Funds); \$4,988,983 (State Grant portion of OBRA, SUD); \$36,508,700 (Federal Grants/Federal Block Grants/SUD); \$362,650 (Local Grant Revenue); \$1,000,000 (Interest Income); and \$40,000 (Misc Revenue).

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

Source of Funds: Multiple

Fee for Service (Y/N): Y

Revenue	FY 21/22	Annualized
MULTIPLE	\$ 949,691,682.00	\$ 949,691,682.00
	\$ 0.00	\$ 0.00
Total Revenue	\$ 949,691,682.00	\$ 949,691,682.00

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

Type of contract (Business/Clinical): Business

ACCOUNT NUMBER: MULTIPLE

In Budget (Y/N)? N

Approved for Submittal to Board:

Eric Doeh, Chief Executive Officer

Stacie Durant, Chief Financial Officer

Signature/Date:

Signature/Date:

Eric Doeh

Page 2 of 2 **Stacie Durant**

Board Action #: 22-12 R1

**DETROIT WAYNE INTEGRATED HEALTH NETWORK
BOARD ACTION**

Board Action Number: 22-35 Revised: Requisition Number:

Presented to Full Board at its Meeting on: 1/19/2022

Name of Provider: Westcomm Inc

Contract Title: Westcomm Social Media Management

Address where services are provided: 'None'

Presented to Finance Committee at its meeting on: 1/5/2022

Proposed Contract Term: 2/1/2022 to 9/30/2022

Amount of Contract: \$ 69,500.00 Previous Fiscal Year: \$ 0.00

Program Type: New

Projected Number Served- Year 1: 100,000,000 Persons Served (previous fiscal year): 0

Date Contract First Initiated: 1/19/2022

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).

The Communications Department would like to enter into a contract agreement with Westcomm, a social media management company. The contract would begin February 1, 2022 through September 30, 2022. The total cost of the eight month contract is \$69,500.

Westcomm was the second qualified bidder on an RFP issued in July 2020. The initial vendor selected was Equal Sign Partners however their contract was canceled due to the lack of disclosure of the use of a third party sub-contractor.

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

Source of Funds: Multiple

Fee for Service (Y/N): N

Revenue	FY 21/22	Annualized
Multiple	\$ 69,500.00	\$ 69,500.00

	\$ 0.00	\$ 0.00
Total Revenue	\$ 69,500.00	\$ 69,500.00

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

Type of contract (Business/Clinical): Business

ACCOUNT NUMBER: 64910.901000.00000

In Budget (Y/N)?

Approved for Submittal to Board:

Eric Doeh, Chief Executive Officer

Stacie Durant, Chief Financial Officer

Signature/Date:

Signature/Date:

Eric Doeh

Stacie Durant

Signed: Thursday, December 16, 2021

Signed: Wednesday, December 15, 2021

**DETROIT WAYNE INTEGRATED HEALTH NETWORK
BOARD ACTION**

Board Action Number: 22-45 Revised: N Requisition Number:

Presented to Full Board at its Meeting on: 1/19/2022

Name of Provider: Outfront Media Inc., Michigan Chronicle Publishing Co., International Outdoor, Inc., Radio One, Scripps Media, Inc., Cumulus Media, Inc., Graham Media Group, Latino Press, Inc, The Arab American News, Hamtramck Review, WJBK TV Fox 2 Detroit, Ask the Messengers Inc, Brooklyn Outdoor, LLC, Comcast Holdings Corporations, Detroit Free Press Inc

Contract Title: Special Media Outreach Initiative

Address where services are provided: 'None'

Presented to Finance Committee at its meeting on: 1/5/2022

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

Amount of Contract: \$ 30,000.00 Previous Fiscal Year: \$ 0.00

Program Type: New

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

Date Contract First Initiated: 1/1/2022

Provider Impaneled (Y/N)? N

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

This board action is requesting the approval of a joint request between the Communications, SUD and Workforce Training and Development departments for an amount not to exceed \$30,000 for additional media services that would exceed the amount of approved FY'21-22 contracts. Approval of this board action would allow Communications to amend existing contracts should a special initiative arise with one of our media partners throughout FY '21-22.

The funding for this Board Action would come from three different departments: Communications, SUD and Workforce Training and Development. The Communications department would manage the Board Action should a special media opportunity arise throughout the year which may cause the current FY '21-22 contracts to exceed the approved amounts. A special Board Action in the amount of \$10,000 is being considered by the SUD Oversight Policy Advisory Board for the use of PA2 funding. This board action is contingent upon that approval.

The list of vendors are attached.

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

Source of Funds: Multiple

Fee for Service (Y/N): N

Revenue	FY 21/22	Annualized
Multiple	\$ 30,000.00	\$ 30,000.00
	\$ 0.00	\$ 0.00
Total Revenue	\$ 30,000.00	\$ 30,000.00

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

Type of contract (Business/Clinical): Business

ACCOUNT NUMBER: MULTIPLE

In Budget (Y/N)? Y

Approved for Submittal to Board:

Eric Doeh, Chief Executive Officer

Stacie Durant, Chief Financial Officer

Signature/Date:

Signature/Date:

Eric Doeh

Stacie Durant

Signed: Tuesday, December 14, 2021

Signed: Tuesday, December 14, 2021