



FINANCE COMMITTEE
May 18, 2018 – 8 a.m.
Mental Health Center – Board Room

Committee Chair: John Snider
Committee Vice-Chair: Janet Thomas

AGENDA

	<u>Disposition</u>
1. <i>Call to Order</i>	<i>Quorum</i>
2. <i>Approval of Minutes of April 20, 2018 (Previously Forwarded)</i>	<i>Action</i>
3. <i>Items for Consideration</i>	
A. <i>Approval of Expenditures for April 2018 (Attachment #1)</i>	<i>Action</i>
B. <i>Interim Analysis of Expenditures (Attachment #2)</i>	<i>Information</i>
C. <i>Interim Analysis of Revenues (Attachment #3)</i>	<i>Information</i>
D. <i>Interim Balance Sheets of April 2018 (Attachment #4)</i>	<i>Information</i>
E. <i>HealthWest Expenditures Financial Statement (Attachment #5)</i>	<i>Information</i>
F. <i>HealthWest Finance Update – Fees and Inpatient Summary (Attachment #6)</i>	<i>Information</i>
G. <i>HealthWest Budget Variance Analysis Report (Attachment #7)</i>	<i>Information</i>
H. <i>Year End Projection Trends (Attachment #8)</i>	<i>Information</i>
I. <i>Medicaid Eligibles Report (Attachment #9)</i>	<i>Information</i>

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- J. *Approval to amend the contract between MDHHS and HealthWest for Managed Mental Health Supports and Services (Attachment #10)* *Action*
- K. *Approval to sign a purchase of service agreement with the MAISD (Attachment #11)* *Action*
- L. *Authorization to amend the Mental Health FY2018 Budget (Attachment #12)* *Action*
- M. *Authorization to approve the HealthWest FY2019 Budget (Attachment #13)* *Action*
- N. *Authorization to approve pay rate for County personnel transfer (Attachment #14)* *Action*

- 4. Old Business
- 5. New Business
- 6. Communications
- 7. Director's Comments
- 8. Audience Participation
- 9. Adjournment

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HEALTHWEST

FINANCE COMMITTEE MEETING MINUTES

Friday, May 18, 2018

8:00 a.m.

**Mental Health Center
Board Room**

CALL TO ORDER

The regular meeting of the Finance Committee was called to order by Chair Snider at 8:00 a.m.

ROLL CALL

Committee Members Present: Marvin Engle, Charles Nash, John Snider, Jeff Fortenbacher, Dr. Remington Sprague

Committee Members Excused: Janet Thomas

Add'l Board Members Present: None

Also Present: Julia Rupp, Cyndi Blair, Margaret Tietze, Brandy Carlson, Marcia Vandenberg, Susan Plotts, Amber Berndt, Sam Wolff, Dave McElfish, Judy Cohen

Guests: None

MINUTES

It was moved by Mr. Engle, seconded by Mr. Fortenbacher, to approve the minutes of the April 20, 2018, meeting as written.

MOTION CARRIED.

ITEMS FOR CONSIDERATION

A. Approval of Expenditures for April 2018

It was moved by Mr. Engle, seconded by Dr. Sprague, to approve expenditures for the month ending April 30, 2018, in the total amount of \$ \$5,582,017.00.

.MOTION CARRIED.

B. Interim Analysis of Expenditures

Ms. Carlson presented the expenditures for the month of April 2018 noting that HealthWest is 4.5% under budget.

C. Interim Analysis of Revenues

Ms. Carlson presented the Interim Analysis of Revenues through April 30, 2018. There was nothing unusual to report.

D. Interim Balance Sheets of April 2018

Ms. Carlson presented the Interim Balance Sheets of April 2018, noting that there was a negative cash balance of (\$1,734,070.82) for Fund 2220. Fund 7930 has a positive cash balance of \$359,605.97.

E. HealthWest Expenditures Financial Statement

Ms. Carlson presented the HealthWest Expenditure report for April 2018 which shows the estimated true variance to date of \$160,578. Expenditures are under budget to date.

F. Finance Update – Fees and Inpatient Summary

The Substance Abuse Fee Report has a positive total variance of \$525,723 through the month of April 2018. It should be noted that this variance report is based on the budget approved by the HealthWest Board during the month of August 2017.

The Other Fees Report has a negative total variance of (\$2,126,899) through the month of April 2018. The variance report is based on the budget approved by the HealthWest Board during the month of August 2017.

The Inpatient Summary Report indicates a negative variance to date of (\$284,712) for Community Inpatient, which is based on the budget approved by the HealthWest Board during the month of August 2017.

G. Budget Variance Analysis Report

Our projected budget variance, based on the budget approved by the HealthWest Board during the month of August 2017 is a little over (\$1,836,529). Contingencies of \$576,666 have been made to recognize risk management activities (such as the implementation of the CANS and ANSA assessments and contract rate negotiations). That would leave us with a net negative variance of approximately (\$1,259,863) after the first seven months of the fiscal year. Due to the different periods of the budget year that these variances are calculated over, this would prorate out to a negative variance of approximately (\$2,707,598) for the whole fiscal year.

However, this figure does not really give us a true picture of where we stand as we are not able to use the different funding sources (i.e., State GF and Medicaid, etc.) to offset each other's shortfalls. Therefore, a truer picture would be as follows:

Medicaid (Traditional)	(839,703)
Medicaid (Healthy Michigan)	(1,284,393)
Medicaid (Autism)	(156,517)
State General Fund	(426,984)

H. Month End Projection Trends

Ms. Carlson presented the month-end projection trends for board member review.

I. Medicaid Eligibles by Program

Ms. Carlson presented the Medicaid Eligibles trends for HM, DAB, and TANF for board member review.

J. Authorization to sign Amendment No. 2 to the contract between Michigan Department of Health and Human Services and HealthWest for Managed Mental Health Supports and Services

It was moved by Mr. Fortenbacher, seconded by Mr. Engle, to sign Amendment No. 2 to the contract between Michigan Department of Health and Human Services and HealthWest for Managed Mental Health Supports and Services for the period of October 1, 2017 through September 30, 2018.

MOTION CARRIED.

K. Authorization to sign a purchase of service agreement with the Muskegon Area Intermediate School District

It was moved by Mr. Nash, seconded by Mr. Engle, authorize the HealthWest Executive Director to sign a purchase of service agreement with the Muskegon Area Intermediate School District to provide Applied Behavior Analysis Services, Community Living Supports Services, and Skill-Building Services to children/adolescents in all MAISD school districts, effective May 14, 2018 through September 30, 2018.

MOTION CARRIED.

L. Authorization to amend the FY2018 HealthWest Budget

It was moved by Mr. Engle, seconded by Mr. Nash, to authorize to amend the Mental Health FY2018 Budget proposed to the County of Muskegon from \$64,760,186 up to \$66,823,551 for both revenues and expenditures.

MOTION CARRIED.

M. Authorization to approve the FY2019 HealthWest Budget

It was moved by Mr. Engle, seconded by Mr. Nash, to approve the HealthWest FY2019 Budget proposed to the County of Muskegon in the amount of \$66,276,251.00 for both revenues and expenditures.

MOTION CARRIED.

N. Authorization to approve the pay rate for the County personnel transfer

It was moved by Mr. Engle, seconded by Mr. Nash, to approve the pay rate requested in order to complete the transfer of Louis Churchwell's position from his Clinical Supervisor/Family Counselor for Family Court to a Masters Level Clinician with HealthWest.

MOTION CARRIED.

OLD BUSINESS

There was no old business.

NEW BUSINESS

There was no new business.

COMMUNICATIONS

There were no communications.

DIRECTOR'S COMMENTS

Cash Flow

LRE has asked the CMHs to help fund the Internal Service Fund. The responses were unanimously no. The LREs response was then asking for a temporary loan from the CMHs. Ms. Rupp is meeting with the County Administrator on Monday and will ask for his opinion but it is her opinion that the other counties having financial difficulties should request funds from their own county.

Risk

It seems as though the State has finally realized that they are responsible for making up the negative cash balances and it is not the responsibilities of the CMHs or the LRE.

LRE Board Meeting 5/17/2018

There has been great improvement since Mr. Jansen took over however, he needs to return to his former job. The LRE Board is hoping to get another agreement with Mr. Jansen and it is doubtful that this will happen. Mr. Snider attempted to notify the LRE Board it is their responsibility to elect a CEO and they did not do it during yesterday's meeting. It is likely that the LRE Board will need to hold an emergency board meeting to appoint a leader.

The LRE has put out an RFP for a manager. Oakland (PIHP/CMH), MCPN (Detroit had to create 4 separate entities, 1 of them applied) and Beacon, a national MBHO are the three entities chosen as candidates to manage the LRE. Beacon seems to be the best choice financially.

298 Pilot

MDCH has made a request to delay the 298 pilot until October 1, 2019. It is not known if it will be granted or if a new date will be chosen.

SAMHSA

There is a \$2 million grant that we must apply for. Under the old model it was a WRAP model, this is a model that goes towards infrastructure dollars rather than requiring the hiring of personnel. All 4 of the CMHs in the pilot are CCBHC certified and all four will be applying for this grant. An extra \$8 million dollars would be huge for the Pilot implementation.

AUDIENCE PARTICIPATION

There was no audience participation.

ADJOURNMENT

There being no further business to come before the committee, the meeting adjourned at 8:56 a.m.

Respectfully,

John Snider
Committee Chairperson

JS/ab

PRELIMINARY MINUTES To be approved at the Finance Meeting of June 22, 2018

The County of Muskegon will provide necessary reasonable auxiliary aids and services, such as signers for the hearing impaired and audio tapes of printed materials being considered at the meeting, to individuals with disabilities who want to attend the meeting upon twenty-four hours notice to the County of Muskegon. Individuals with disabilities requiring auxiliary aids or services should contact the County of Muskegon by writing or calling the following: Administration, Hall of Justice, Fourth Floor, 990 Terrace Street, Muskegon, Michigan 49442, (231) 724-6505. TDD- (231) 722-4103.