

HEALTHWEST

FINANCE COMMITTEE MEETING MINUTES

Friday, January 19, 2024

8:00 a.m.

CALL TO ORDER

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

ROLL CALL

Committee Members Present: Jeff Fortenbacher, Janet Thomas, Thomas Hardy, Commissioner Marcia Hovey-Wright, Commissioner Charles Nash

Committee Members Absent: Remington Sprague, M.D

Also Present: Rich Francisco, Holly Brink, Shannon Morgan, Gina Post, Brandy Carlson, Gary Ridley, Gordon Peterman, Amber Berndt, John Weerstra, Brandon Baskin, Christy LaDronka, Ann Judson, Jennifer Stewart, Mickey Wallace, Gina Kim, Rebecca StClair, Anissa Goodno, Jackie Farrar, Kristi Chittenden

MINUTES

It was moved by Mr. Hardy, seconded by Ms. Thomas, to approve the minutes of the December 8, 2023, meeting as written.

MOTION CARRIED.

ITEMS FOR CONSIDERATION

A. Approval of Expenditures for November 2023

It was moved by Mr. Hardy, seconded by Ms. Thomas, to approve expenditures for the month ending November 31, 2023, in the total amount of \$7,716,758.53.

MOTION CARRIED

B. Monthly Report from the Chief Financial Officer

Ms. Carlson presented the November report, noting an overall cash balance of \$7,381,882.14. as of November 30, 2023.

C. November Balance Sheets

Ms. Carlson presented the November Balance Sheets for the Board review.

D. Finance Update Memorandum

Ms. Carlson presented the Finance Update Memorandum for the Board review.

E. Roslund Prestage & Company Communication

Ms. Carlson presented the Audit Communication for the Board review.

F. Authorization to Continue Contract with Byerly Enterprise LLC, Slim Haven LLC, and Relias Learning Recovery

It was moved by Mr. Hardy, seconded by Commissioner Hovey-Wright, to approve continuation of the contracts with Byerly Enterprises LLC, Slim Haven LLC, to provide services to eligible HealthWest consumers and Relias Learning to HealthWest at a cost not to exceed the approved caps for the vendors of \$223,086.79 for FY2024.

MOTION CARRIED

G. Authorization to Approve Contract Increases with Stephens Home, LLC

It was moved by Mr. Hardy, seconded by Ms. Thomas, to approve the increases in projected expenditures as stated for Stephens Home LLC, totaling \$246,700.00 effective December 29, 2023 through September 30, 2024.

MOTION CARRIED

H. Authorization to Approve Contract Rate Increases for Mental Health Providers

It was moved by Mr. Hardy, seconded by Commissioner Hovey-Wright, to authorize the rate increases to the Mental Health Network Providers, effective January 1, 2024, at a cost not to exceed \$35,108,212.50 FY24.

MOTION CARRIED

I. Authorization to Approve Singel Case Agreements

It was moved by Mr. Hardy, seconded by Commissioner Hovey-Wright, to authorize the HealthWest Executive Director to sign single case agreements with out of network providers in the amount of \$46,160.00 for services for HealthWest consumers.

MOTION CARRIED

J. Authorization to Approve Contract with Stars Behavioral Health Group, Inc.

It was moved by Mr. Hardy, seconded by Ms. Thomas, to authorize the HealthWest Executive Director to sign a contract with Stars Behavioral Health Group, Inc. to provide consultation, training, mentoring, and technical assistance to two site-based trainers to HealthWest Supervisors, at a cost not to exceed \$12,495.00 effective January 1, 2024 through December 31, 2024

MOTION CARRIED

K. Authorization to Approve Contract Increase with Life Align

It was moved by Mr. Hardy, seconded by Ms. Thomas, to authorize HealthWest to approve the projected expenditure and funding sources for Life Align as stated, with a total not to exceed \$140,844.00, effective October 1, 2023 through September 30, 2024.

MOTION CARRIED

L. Authorization to Approve Contract with Organic Care, LLC

It was moved by Ms. Thomas, seconded by Mr. Hardy, to authorize the HealthWest Executive Director to sign a contract with Organic Care, LLC to provide specialized residential services to eligible HealthWest consumers, at a cost not to exceed \$182,250.00 for FY2024.

MOTION CARRIED

OLD BUSINESS

There was no old business.

NEW BUSINESS

There was no new business.

COMMUNICATIONS

There was no communication.

DIRECTOR'S COMMENTS

Mr. Francisco, Executive Director, provided his Director's Report:

LRE Updates:

- Finance ROAT update from the LRE - The Enrollment numbers presented still look as though there are still significant decrease in revenue, based on the enrollment numbers of individuals dropping off DABs. HealthWest is keeping an eye on the numbers of DABs that have switched to other funding sources during the PHE (Public Health Ending). The LRE is going to be presenting data to MDHHS and point specific instances where this is happening, and which individuals are affected. Mary Dumas will present the findings for our region to Kristen Jordan, to assist them in understanding the problem. Some of the findings include DAB consumers switching to Plan First (TANF) and Medicaid Spenddown.
- Network 180 has sent a memo and request to the LRE requesting 25M to cover the cost of services for this year from ISF (this will leave the ISF with about 4M). They are citing higher levels of utilization especially in the Autism area. N180 would like to be able to address the inflation and workforce shortages so they can provide services. This request will be presented to the CEO Ops committee for discussion next week. All CEOs must agree to help N180 and their anticipated funding deficit and vote to do so. Some of the concerns regarding this include--what if there is more than one CMHSP in the coming year that will have a deficit (it is still early to tell) allowing N180 to pull funds from the ISF may not leave any for the other CMHSPs who can make the same argument for increased utilization, inflation, etc. I am not sure the CEOs will agree to this.
- Contracts Renewal with LRE, there is review and back and forth discussion that is happening with our corporate counsel and LRE staff.

HealthWest Updates:

- HealthWest is also working on ensuring that those individuals who lost DAB and were HSW waiver recipient—HW is following up on getting these individuals back on the DAB and waiver status. The LRE has voiced concerns for some of regular HSW individuals, we did not get payment for in November, so a further review of the data and revenue is needed.
- HealthWest will be working on a spenddown report to track how much GF we are utilizing to get in Medicaid dollars. We need to proactively work on activities that ensure we are spending our consumers down monthly, as this could be a significant impact to our GF dollars.
- The Finance team has been working on flowcharting the various processes related to Billing. This includes: 3rd party billing (commercial), grants, GF, Encounter Billing, etc. The team throughout the process have identified areas that have gaps and could be improved. The next step for this is working on KATA initiatives to begin looking at ways to improve these processes. The finance team will continue to meet and work on process mapping the Claims processing activities next.

AUDIENCE PARTICIPATION

There was no audience participation.

ADJOURNMENT

There being no further business to come before the committee, the meeting adjourned at 8:39 a.m.

Respectfully,

Jeff Fortenbacher
Committee Chair

/hb

PRELIMINARY MINUTES
To be approved at the Finance Meeting on
February 16, 2024



FINANCE COMMITTEE

January 19, 2024 – 8:00 a.m.

376 E. Apple Ave. Muskegon, MI 49442

Committee Chair: Jeff Fortenbacher
Committee Vice-Chair: Janet Thomas

AGENDA

- | | | |
|----|--|-------------|
| 1. | Call to Order | Quorum |
| 2. | Approval of Minutes | |
| | A. Approval of the Minutes of December 8, 2023
(Attachment #1 pg.1-3) | Action |
| 3. | Items for Consideration | |
| | A. Approval of Expenditures for November 2023
(Attachment #2 pg. 4) | Action |
| | B. Monthly Report from the Chief Financial Officer
(Attachment #3 pg. 5-6) | Information |
| | C. November Balance Sheets
(Attachment #4 pg. 7-8) | Information |
| | D. Finance Update Memorandum
(Attachment #5 pg. 9-10) | Information |
| | E. Roslund Prestage & Company Communication
(Attachment #6 pg. 11-12) | Information |
| | F. Authorization to Continue Contract with Byerly Enterprises LLC,
Slim Haven LLC, and Relias Learning Recovery
(Attachment #7 pg. 13) | Action |
| | G. Authorization to Approve Contract Increase with Stephens Home, LLC
(Attachment #8 pg. 14) | Action |
| | H. Authorization to Approve Contract Rate Increases for Mental Health
Network Providers
(Attachment #9 pg. 15-19) | Action |

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|----|---|-------------|
| I. | Authorization to Approve Single Case Agreements with Regents of the University of Michigan and Henry Ford Health System Kingswood Hospital
(Attachment #10 pg. 20) | Action |
| J. | Authorization to Approve Contract with Stars Behavioral Health Group, Inc.
(Attachment #11 pg. 21) | Action |
| K. | Authorization to Approve Contract Increase with Life Align
(Attachment #12 pg. 22) | Action |
| L. | Authorization to Approve Contract with Organic Care, LLC
(Attachment #13 pg. 23) | Action |
| | | |
| 4. | Old Business | |
| 5. | New Business | |
| 6. | Communication | |
| 7. | Director's Comments | Information |
| 8. | Audience Participation | |
| 9. | Adjournment | Action |

/hb

HEALTHWEST

FINANCE COMMITTEE MEETING MINUTES

Friday, December 8, 2023

8:00 a.m.

CALL TO ORDER

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

ROLL CALL

Committee Members Present: Jeff Fortenbacher, Janet Thomas, Thomas Hardy, Commissioner Marcia Hovey-Wright, Commissioner Charles Nash, Remington Sprague, M.D

Also Present: Holly Brink, Shannon Morgan, Gina Post, Brandy Carlson, Gary Ridley, Melina Barrett, Tasha Percy, Jennifer Hoeker, Suzanne Beckeman, Gordon Peterman, Cyndi Blair, Amber Berndt, Nate Kennert, Michael Pyne

Guests: Angie Gasiewski, John Weerstra

MINUTES

It was moved by Mr. Hardy, seconded by Dr. Sprague, to approve the minutes of the November 9, 2023, meeting as written.

MOTION CARRIED.

ITEMS FOR CONSIDERATION

A. Approval of Expenditures for October 2023

It was moved by Ms. Thomas, seconded by Mr. Hardy, to approve expenditures for the month ending October 31, 2023, in the total amount of \$6,503,484.

MOTION CARRIED

B. Monthly Report from the Chief Financial Officer

Ms. Carlson presented the October report, noting an overall cash balance of \$9,040,853.80. as of October 31, 2023.

C. FY23 Actual and Projected Expenditures

Ms. Carlson presented the October report for the Board review.

D. Finance Update Memorandum

Ms. Carlson presented the Finance Update Memorandum for the Board review.

E. Authorization to Contract with iCIMS

Ms. Carlson, Chief Financial Officer, pulled motion to be reviewed at County Board

MOTION PULLED

F. Authorization to Accept Substance Use Disorder Treatment and Recovery Transportation Grant

It was moved by Dr. Sprague, seconded by Mr. Hardy, to approve acceptance of the Substance Use Disorder Treatment and Recovery Transportation Services grant and the requirements with a total of \$199,659.00 effective November 1, 2023 through September 30, 2024.

MOTION CARRIED

G. Authorization to Contract with The Indian Trails Camp, Inc

It was moved by Mr. Hardy, seconded by Dr. Sprague, to authorize the HealthWest Executive Director to sign a contract with The Indian Trails Camp Inc, dba IKUS to provide life enrichment services to eligible HealthWest consumers, at a cost not to exceed \$18,000.00 for FY2024.

MOTION CARRIED

H. Authorization to Continue Contract with Core Solutions, Inc.

It was moved by Mr. Hardy, seconded by Dr. Sprague, to authorize the HealthWest Board of Directors to continue the contract with Core Solutions, Inc. with a total of \$63,000.00 effective October 1, 2023 through September 30, 2024.

MOTION CARRIED

OLD BUSINESS

There was no old business.

NEW BUSINESS

There was no new business.

COMMUNICATIONS

There was no communication.

DIRECTOR'S COMMENTS

Ms. Carlson shared Rich Francisco's Director's Report:

- The finance team is now running the monthly budget reports for each of the programs and teams. Brandy and her staff will be meeting regularly with teams to discuss individual budgets. This is new for staff supervisors, managers and directors and allows for more staff input into the budget and budget process. This monthly meeting will also allow for staff to eventually monitor and manage their individual budget as well.
- I have been planning and coordinating the move of HealthWest finance staff along with HW HR staff with the County. We want to ensure that when our staff is slated to move to Marquette, they will have the space and resources needed to access all HealthWest resources on our network. The goal is to complete moves by January or February, and this can be a staggered move. This will be a significant savings on rent and space.
- The finance team is getting ready for the HealthWest finance audit with Roslund, Prestage and Co. The single audit will take place on December 18th and 19th.

- Lastly, just an FYI. Muskegon County has agreed to drop the lawsuit against the LRE now that we have received the secondary payment into a separate account at the County. The funds will be available for use in May 2024. Network 180, our partner, have already dropped their lawsuit with the LRE, so we are following suit and doing the same. Our order to dismiss includes a “Tolling agreement for any applicable statute of limitations that could bar the refiling allowing us to refile the case if needed before June 7, 2024, in case that the LRE claws the funds prior to May 24,2024.
- I apologize for not being there in person as I am attending the Improving Outcomes conference for CMHA in Troy, MI.

AUDIENCE PARTICIPATION

There was no audience participation.

ADJOURNMENT

There being no further business to come before the committee, the meeting adjourned at 8:24 a.m.

Respectfully,

Jeff Fortenbacher
Committee Chair

/hb

PRELIMINARY MINUTES
To be approved at the Finance Meeting on
January 19, 2024

REQUEST FOR HEALTHWEST BOARD CONSIDERATION AND AUTHORIZATION

COMMITTEE Finance Committee	BUDGETED X	NON-BUDGETED	PARTIALLY BUDGETED
REQUESTING DIVISION Administration	REQUEST DATE January 19, 2024	REQUESTOR SIGNATURE Brandy Carlson, Chief Financial Officer	
<u>SUMMARY OF REQUEST (GENERAL DESCRIPTION, FINANCING, OTHER OPERATIONAL IMPACT, POSSIBLE ALTERNATIVES)</u>			
<p>Expenditures for the month of November 2023 totaled \$7,716,758.53. Some unusual expenditures for the month include \$22,071.38 to Covenant Enabling Residencies of Michigan for two months of services, \$118,035.35 to Fa-Ho-Lo Family Inc for 2 months of specialized residential services, \$471,962.78 to HGA Nonprofit Homes for 2 months of specialized residential services, \$75,790.30 for two months of specialized residential services and fiscal year 23 approved stability payment, \$145,250.00 to Madison Community Hospital for community inpatient services, \$236,913.58 to Ivyrehab Michigan LLC for multiple dates of autism services, \$128,294.00 to Mercy Health Partners – Hackley Hospital for inpatient services, \$50,000 to MI Department of Human Services to transfer the Hardleben Endowment, \$111,112.41 to Pine Rest Christian Hospital for community inpatient services and \$33,266.00 to Zoom Inc for the Annual License.</p>			
<u>SUGGESTED MOTION (STATE EXACTLY AS IT SHOULD APPEAR IN THE MINUTES)</u>			
I move to approve expenditures for the month of November 2023, in the total amount of \$7,716,758.53.			
COMMITTEE DATE January 19, 2024	COMMITTEE APPROVAL _____ Yes _____ No _____ Other		
BOARD DATE January 25, 2024	BOARD APPROVAL _____ Yes _____ No _____ Other		

HealthWest



November 2023

Board Report

HealthWest

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget to Actual

For the Period from October 1, 2023 through November 30, 2023

	Original Budget	YTD Budget	YTD Actual	Over (Under) YTD Budget
Revenues				
Medicaid funding:				
Medicaid Capitation	\$ 62,472,930.00	\$ 10,412,155.00	\$ 10,257,262.10	\$ (154,892.90)
Medicaid - Autism Capitation	\$ 8,901,598.00	\$ 1,483,599.67	\$ 1,611,937.72	\$ 128,338.05
Medicaid Capitation - Settlement	\$ -	\$ -	\$ -	\$ -
Healthy Michigan Plan	\$ 7,443,215.00	\$ 1,240,535.83	\$ 1,398,112.97	\$ 157,577.14
Healthy Michigan Plan - Settlement	\$ -	\$ -	\$ -	\$ -
CCBHC Supplemental	\$ 9,829,312.00	\$ 1,638,218.67	\$ 1,860,797.10	\$ 222,578.43
CCBHC - Settlement	\$ -	\$ -	\$ -	\$ -
State General Fund:		\$ -		\$ -
Formula Fundings	\$ 2,066,287.00	\$ 344,381.17	\$ -	\$ (344,381.17)
Settlement	\$ -	\$ -	\$ -	\$ -
Grant Revenue	\$ 7,196,098.00	\$ 1,199,349.67	\$ 215,582.69	\$ (983,766.98)
Local Revenue:		\$ -		\$ -
County Appropriation	\$ 706,819.00	\$ 117,803.17	\$ 117,799.00	\$ (4.17)
Client and Third Party Fees	\$ 283,778.00	\$ 47,296.33	\$ 10,946.66	\$ (36,349.67)
Performance Based Incentive Program (PBIP)	\$ -	\$ -	\$ -	\$ -
Interest Income	\$ 138,398.00	\$ 23,066.33	\$ -	\$ (23,066.33)
Other Revenue	\$ 364,845.00	\$ 60,807.50	\$ 41,527.76	\$ (19,279.74)
Total Revenue	\$ 99,403,280.00	\$ 16,567,213.33	\$ 15,513,966.00	\$ (1,053,247.33)
Expenditures				
Salaries and Wages	\$ 30,094,233.00	\$ 5,015,705.50	\$ 4,529,803.58	\$ 485,901.92
Fringe Benefits	\$ 15,449,498.00	\$ 2,574,916.33	\$ 2,453,217.97	\$ 121,698.36
Staff Professional Development	\$ 430,517.00	\$ 71,752.83	\$ 44,137.09	\$ 27,615.74
Contractual Expense	\$ 47,337,069.00	\$ 7,889,511.50	\$ 7,407,431.27	\$ 482,080.23
Overhead Expense	\$ 1,710,429.00	\$ 285,071.50	\$ 293,311.25	\$ (8,239.75)
Supplies	\$ 1,119,514.00	\$ 186,585.67	\$ 49,892.22	\$ 136,693.45
Utilities	\$ 320,634.00	\$ 53,439.00	\$ 23,754.32	\$ 29,684.68
Insurance	\$ 386,476.00	\$ 64,412.67	\$ -	\$ 64,412.67
Capital Outlay	\$ 112,253.00	\$ 18,708.83	\$ -	\$ 18,708.83
Transfers Out	\$ 244,579.00	\$ 40,763.17	\$ -	\$ 40,763.17
Other Expenses	\$ 2,198,078.00	\$ 366,346.33	\$ 54,815.83	\$ 311,530.50
Total Expenditures	\$ 99,403,280.00	\$ 16,567,213.33	\$ 14,856,363.53	\$ 1,710,849.80
 Net Change in Fund Balance	 \$ -	 \$ -	 \$ 657,602.47	 \$ (2,764,097.14)

This financial report is for internal use only. It has not been audited, and no assurance is provided.

**COMMUNITY MENTAL HEALTH
INTERIM BALANCE SHEET 2220
MENTAL HEALTH**

November 30, 2023

ASSETS	THIS YEAR	LAST YEAR
Cash in Bank	7,381,882.14	(6,840,301.30)
Imprest (Petty) Cash	2,700.00	2,700.00
Due from Credit Cards	-	-
Accounts Receivable	3,127.26	112,963.52
Due From Other Funds	2,481,524.59	1,553.84
Prepaid Items	565,686.87	306,001.25
Due from other governments	2,612,667.51	16,197,230.04
Total Assets	<u>\$ 13,047,588.37</u>	<u>\$ 9,780,147.35</u>
 LIABILITIES AND EQUITY		
Accounts Payable	\$ (368,259.40)	\$ 688,596.94
Undistributed Receipts	2,757.29	1,459.44
HAB Supports Waiver	1,021,246.29	-
Medicaid Children's Waiver	19,254.96	21,424.72
Medicaid SED Waiver	38,435.51	19,317.70
State Advance	172,191.00	-
Capitation Medicaid	1,967,447.58	-
Medicaid - B3 Services	1,908,490.48	-
Accrued Wages and Fringes	242,650.38	205,118.32
Medicaid - Healthy Michigan	426,717.39	-
Medicaid - Autism	809,830.62	-
SA Federal Pass Thru	-	-
SA State Plan Medicaid	166,645.49	-
SA B3 Services	-	-
SA Healthy Michigan	279,080.77	-
SA PA2 Dollars	-	-
Unearned Revenue - Lilac St Donation	-	50,100.00
Total Liabilities and Equity	<u>\$ 6,686,488.36</u>	<u>\$ 986,017.12</u>
 DEFERRED INFLOWS OF RESOURCES		
Deferred Medicaid fee for services and capitation	<u>\$ 6,865,417.04</u>	<u>\$ 20,119,747.21</u>
Fund Balance at beginning of year	(17,073,240.73)	(17,073,240.73)
Nonspendable FB-Prepays	319,982.25	-
**Total Fund Balance	<u>\$(16,753,258.48)</u>	<u>\$(17,073,240.73)</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
	<u>\$ (3,201,353.08)</u>	<u>\$ 4,032,523.60</u>
 NET OF REVENUES VS EXPENDITURES		
	<u>\$ 16,248,941.45</u>	<u>\$ 5,747,623.75</u>
 Transferred to HealthWest LRE FY2019 Account for:		
Due to Fund 2220 HealthWest (2221-0000-214.222)	\$2,482,170.15	\$0.00
Fund 2221 Fund Balance	\$2,242.12	\$0.00
 Transferred to County Equipment Revolving Account for:		
Mental Health Center Building (6660-0000-349220)	\$2,569,062.21	\$2,633,161.87
Future Equipment Purchases (6660-0000-349222)	\$89,534.24	\$89,534.24

**COMMUNITY MENTAL HEALTH
INTERIM BALANCE SHEET 7930
CMH CLIENT FUNDS**

November 30, 2023

ASSETS	THIS YEAR	LAST YEAR
Cash	\$ 453,040.07	\$ 674,073.50
Imprest Cash	\$ 37,412.78	\$ 41,774.37
Accounts Receivable	\$ 177.00	\$ 177.00
Total Assets	<u>\$ 490,629.85</u>	<u>\$ 716,024.87</u>
 LIABILITIES AND EQUITY		
Due to Other Funds	\$ 1,208.13	\$ 1,279.27
Undistributed Receipts	\$ 489,421.72	\$ 714,745.60
	<u>\$ 490,629.85</u>	<u>\$ 716,024.87</u>



MEMORANDUM

Date: January 19, 2024

To: HealthWest Board of Directors
Rich Francisco, Executive Director

CC: Mark Eisenbarth, Muskegon County Administrator
Matt Farrar, Muskegon County Deputy Administrator
Angie Gasiewski, Muskegon County Accounting Manager

From: Brandy Carlson, Chief Financial Officer

Subject: **Finance Update**

During the month of January, HealthWest will bring the following motions to the County Commissioners for approval.

- Move to approve HealthWest to continue relationships with the vendors listed in the proposed schedule from October 1, 2023, through September 30, 2024.
 - Bolt, LTD, Laserfiche – Electronic forms and scanning \$41,962
 - ICIMS, Skills Survey for Recruitment \$26,750
 - Johnston Lewis, Professional Liability Insurance for Physicians \$75,000
 - Maner Costerison & Ellis PC, Professional Sage Consultants \$45,329
 - No More Sidelines, Rental space at The Folkert Hub \$200,000
 - Public Sector Consultants, Inc, Systems of Care Consulting \$75,000
 - Sage Intacct Inc, General Ledger Application \$35,880
 - Sentinal, Cylance Cloud Select \$35,000
- Move a salary range adjustment for the Community Health Worker job class from pay table/grade HX-00210 to HO-00160.
- Move the reclassify the Community Health Worker positions X19703 and X19706 at pay table/grade HX-00210 to Case Manager II positions at pay table/grade HX-00190.
- Move to authorize HealthWest to continue their relationship with Preferred Lawn Care and Snowplowing Services, LLC, for FY2024 for one (1) year with an optional three (3) year renewal after the first year, to provide snow removal and salt services at both the Mental Health Center and Club Interactions.

Main Office

376 E. Apple Ave | Muskegon, MI 49442 | P (231) 724-1111 | F (231) 724-3659

HealthWest.net

- Move to pay up to \$600,000 in services provided by HealthWest vendors for Fiscal Year 2023 above and beyond the approved Fiscal Year 2023 Expenditures of \$92,854,287.
- Move to create a Chief Clinical Transition Officer at HealthWest at Pay Grade HX-00447 and appoint Cyndi Blair to the position at Step 6, effective on the start date of the new Chief Clinical Officer, and further authorize this new position to be eliminated on July 31, 2024.

Main Office

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[HealthWest.net](https://www.healthwest.net)



Communication with Those Charged with Governance during Planning

December 14, 2023

To the Members of the Board
HealthWest
Muskegon, Michigan

We are engaged to audit the financial statements of the major special revenue fund and the aggregate remaining fund information of HealthWest (the CMHSP) for the year ended September 30, 2023. Professional standards require that we provide you with the following information related to our audit.

We would also like to extend the opportunity for you to share with our firm any concerns you may have regarding the CMHSP, whether they be in relation to controls over financial reporting, controls over assets, or issues regarding personnel, as well as an opportunity for you to ask any questions you may have regarding the audit.

Our Responsibilities under U.S. Generally Accepted Auditing Standards, Government Auditing Standards, and the Uniform Guidance

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we will consider the CMHSP's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We will also consider internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether the CMHSP's financial statements are free of material misstatement, we will perform tests of its compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit. Also in accordance with the Uniform Guidance, we will examine, on a test basis, evidence about the CMHSP's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on the CMHSP's compliance with those requirements. While our audit will provide a reasonable basis for our opinion, it will not provide a legal determination on the CMHSP's compliance with those requirements.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. We are responsible for communicating significant matters related to the audit that are, in our professional judgement, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to this RSI, which supplement(s) the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

Planned Scope, Timing of the Audit, Significant Risks, and Other

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

During planning for this engagement, we considered the following significant risks of material misstatement. Our auditing procedures have been tailored to help detect these risks should they occur. Should any actual instances of material misstatement be detected during the performance of our engagement, these would be communicated to the Board in the *Communication with Those Charged with Governance at the Conclusion of the Audit*. Those risks considered during planning are:

- Management override of controls
- Improper revenue recognition due to fraud

Again, these are risks that are considered in determining the audit procedures to be applied. While these are risks that are considered during planning, it is not an indication that any such activity has taken place. To address these risks, we incorporate unpredictability into our audit procedures, emphasize the use of professional skepticism, and assign staff to the engagement with industry expertise.

Christina Schaub is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

This information is intended solely for the use of those charged with governance and management of the CMHSP and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,



Roslund, Prestage & Company, P.C.
Certified Public Accountants

REQUEST FOR HEALTHWEST BOARD CONSIDERATION AND AUTHORIZATION

COMMITTEE Finance Committee	BUDGETED X	NON BUDGETED	PARTIALLY BUDGETED
REQUESTING DIVISION Provider Network Management	REQUEST DATE January 19,2024	REQUESTOR SIGNATURE Jackie Farrar, Manager of Provider Network	
<u>SUMMARY OF REQUEST (GENERAL DESCRIPTION, FINANCING, OTHER OPERATIONAL IMPACT, POSSIBLE ALTERNATIVES)</u>			
<p>HealthWest Board authorization is requested to continue contracting with the FY23 service vendors/providers for the time period effective October 1, 2023 through September 30, 2024. Below are the listed providers/vendors and their individual projected expenditure for FY24. The expenditures are within the HealthWest budget for services.</p> <ol style="list-style-type: none"> 1. Byerly Enterprises LLC, dba Hidden Acres Manor located at 8616 Hidden Acre Court, Clarkston MI 48348 to provide services effective October 1, 2023 through September 30, 2024. Services include: Personal Care and Community Living Supports in a Specialized Residential Setting. Byerly Enterprises LLC will be paid with funding within the HealthWest budget, at a cost not to exceed \$90,000.00. 2. Slim Haven LLC, located at 6659 Schaefer Rd STE 1137, Dearborn, MI 48126 to provide services effective October 1, 2023 through September 30, 2024. Services include: Personal Care and Community Living Supports in a Specialized Residential Setting. Slim Haven LLC will be paid with funding within the HealthWest budget, at a cost not to exceed \$69,000.00. 3. Relias Learning, located at 1010 Sync Street Suite 100, Morrisville, NC 27560 to provide training for 500 user seats for HealthWest. Relias Learning will be paid with funding within the HealthWest budget, at a cost not to exceed \$64,086.79. 			
<u>SUGGESTED MOTION (STATE EXACTLY AS IT SHOULD APPEAR IN THE MINUTES)</u>			
<p>I move to continue the contracts with Byerly Enterprises LLC, Slim Haven LLC, to provide services to eligible HealthWest consumers and Relias Learning to HealthWest at a cost not to exceed the approved caps for the vendors of \$223,086.79 for FY2024.</p>			
COMMITTEE DATE January 19, 2024	COMMITTEE APPROVAL _____ Yes _____ No _____ Other		
BOARD DATE January 25, 2024	BOARD APPROVAL _____ Yes _____ No _____ Other		

REQUEST FOR HEALTHWEST BOARD CONSIDERATION AND AUTHORIZATION

COMMITTEE Finance Committee	BUDGETED X	NON BUDGETED	PARTIALLY BUDGETED
REQUESTING DIVISION Provider Network Management	REQUEST DATE January 19, 2024	REQUESTOR SIGNATURE Jackie Farrar, Manager of Provider Network	
<u>SUMMARY OF REQUEST (GENERAL DESCRIPTION, FINANCING, OTHER OPERATIONAL IMPACT, POSSIBLE ALTERNATIVES)</u>			
<p>HealthWest Board authorization is requested to approve a \$27,700.00 increase to the contract for Stephens Home, LLC, located at 146 Fenton Street, Battle Creek, MI 49037 effective December 29, 2023 through September 30, 2024.</p> <p>1. The projected contract amount was \$219,000.00 for FY 2024. The requested amount of \$27,700.00 is to cover the increased needs of one individual. The total projected expenditure will not exceed \$246,700.00.</p> <p>Services Provided</p> <p>1. Specialized Residential Services</p>			
<u>SUGGESTED MOTION (STATE EXACTLY AS IT SHOULD APPEAR IN THE MINUTES)</u>			
<p>I move to authorize the HealthWest Board of Directors to approve the increase in projected expenditure as stated above for Stephens Home, LLC, totaling \$246,700.00 effective December 29, 2023 through September 30, 2024.</p>			
COMMITTEE DATE January 19, 2024	COMMITTEE APPROVAL _____ Yes _____ No _____ Other		
BOARD DATE January 25, 2024	BOARD APPROVAL _____ Yes _____ No _____ Other		

REQUEST FOR HEALTHWEST BOARD CONSIDERATION AND AUTHORIZATION

COMMITTEE Finance Committee	BUDGETED X	NON BUDGETED	PARTIALLY BUDGETED
REQUESTING DIVISION Provider Network	REQUEST DATE January 19, 2024	REQUESTOR SIGNATURE Jackie Farrar, Manager of Provider Network	
<u>SUMMARY OF REQUEST (GENERAL DESCRIPTION, FINANCING, OTHER OPERATIONAL IMPACT, POSSIBLE ALTERNATIVES)</u>			
<p>HealthWest Board authorization is requested to approve contract rate increases to Mental Health Network Providers listed on Attachment A effective January 1, 2024 through September 30, 2024. Providers who provide residential services will receive a 5% increase and all other mental health services will receive a 3% rate increase.</p> <p>The FY24 projected expenditure for the above services total allocated amount was \$33,517,250.00. The rate increase totals \$35,108,212.50 that is under the FY24 budgeted amounts.</p> <p>FY24 Budgeted Services</p> <ul style="list-style-type: none"> • Specialized Residential - \$16,800,000 • Community Inpatient - \$6,167,000 • SUD Services - \$4,913,000 • Outpatient Services - \$7,179,000 • Autism Services - \$1,150,000 <p>For a total of \$36,209,000</p>			
<u>SUGGESTED MOTION (STATE EXACTLY AS IT SHOULD APPEAR IN THE MINUTES)</u>			
<p>I move to authorize the approval of the rate increases to the Mental Health Network Providers, effective January 1, 2024, at a cost not to exceed \$35,108,212.50 FY24.</p>			
COMMITTEE DATE January 19, 2024			
BOARD DATE January 25, 2024	BOARD APPROVAL _____ Yes _____ No _____ Other		

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Continuation of FY23 Vendors/Providers with their Projected Expenditures through September 30, 2024

Vendor	Primary Services
ADIA	Specialized Residential Home Personal Care & Community Living Supports
Alval By The Lake	Specialized Residential Home Personal Care & Community Living Supports
Amanda Family, Inc.	Specialized Residential Home Personal Care & Community Living Supports
Anikare Inc.	Specialized Residential Home Personal Care & Community Living Supports
Beacon Specialized Living Services	Specialized Residential Homes (34) Personal Care & Community Living Supports
Bracey AFC Home	Specialized Residential Home Personal Care & Community Living Supports
Brightside Living, LLC	Specialized Residential Home Personal Care & Community Living Supports
Case Management of MI, Inc.	Ancillary Services Case Management
Comprehensive Therapy Center	Speech and Language Pathology Services
Cornerstone AFC, LLC	Specialized Residential Homes (4) Personal Care & Community Living Supports
Cornerstone I, Inc.	Specialized Residential Homes (2) Personal Care & Community Living Supports
Cornerstone II, Inc.	Specialized Residential Homes (3) Personal Care & Community Living Supports
Cornerstone Management Group	Specialized Residential Home Personal Care & Community Living Supports
Covenant Enabling Residences of Michigan	Specialized Residential Homes (2) Personal Care & Community Living Supports

ATTACHMENT A: Continuation of FY23 Vendors/Providers with their Projected Expenditures through September 30, 2024

Cretsinger Care Homes, LLC	Specialized Residential Homes (4) Personal Care & Community Living Supports
Daybreak Adult Services, Inc.	Community Living Supports
Fa-Ho-Lo Family, Inc.	Specialized Residential Home Personal Care & Community Living Supports
Falco- Allegan enrichment	Specialized Residential Homes (3) Personal Care & Community Living Supports
Flatrock Manor	Specialized Residential Homes (6) Personal Care & Community Living Supports
Goodwill Industries of West Michigan	Enclave, Mobile Work Crew, Skill Building Pre-Vocational, Supported Employment
Heart and Hands In Home Care, LLC	Community Living Supports
	Respite
Heartland Center for Autism	Specialized Residential Homes (3) Personal Care & Community Living Supports
Hernandez Homes, LLC	Specialized Residential Homes (3) Personal Care & Community Living Supports
HGA Support Services	Specialized Residential Homes (5) Personal Care & Community Living Supports Supported Employment CLS Services, SED Services
Hope Network Behavioral Health	Specialized Residential Homes (17) Personal Care & Community Living Supports Crisis Residential Homes (4)
Hope Network West Michigan	Specialized Residential Homes (2) Personal Care & Community Living Supports
Ivy Rehab Michigan, LLC	Autism Services

ATTACHMENT A: Continuation of FY23 Vendors/Providers with their Projected Expenditures through September 30, 2024

JBC Home	Specialized Residential Home Personal Care & Community Living Supports
Kelly's Kare AFC	Specialized Residential Home Personal Care & Community Living Supports
Kelly's Kare Community Life Skills, LLC	Community Living Supports
Life Therapeutic Solutions	Recreational Therapy
Lydia's AFC	Specialized Residential Home Personal Care & Community Living Supports
Martell & Company	Community Living Supports Respite
MOKA Corporation	Specialized Residential Homes (11) Personal Care & Community Living Supports Community Living Supports Supported Employment, Skill Building
Overcoming Barriers, Inc.	Community Living Supports Skill Building, Supported Independent Living
Pathfinders	Respite Skill Building
Pioneer Resources, Inc.	Specialized Residential Homes (5) Personal Care & Community Living Supports Autism Services, SED Services Community Living Supports, Transportation Recreation Club, Mobile Work Crew Skill Building, Supported Employment Supported Independent Living Personal Care & Community Living Supports
Positive Behavior Supports	Autism Services
Preferred Employment and Living Supports	Community Living Supports Supported Employment, Skill Building Health Services, Respite

ATTACHMENT A: Continuation of FY23 Vendors/Providers with their Projected Expenditures through September 30, 2024

Pro Care Unlimited, Inc.	Community Living Supports Respite Care
Rebound Rehabilitation Services, Inc.	Autism Services
Residential Opportunities, Inc.	Specialized Residential Home Personal Care & Community Living Supports
Samaritas	Specialized Residential Homes (6) Personal Care & Community Living Supports
Shel-Mar AFC	Specialized Residential Home Personal Care & Community Living Supports
St. Johns Health Care, PC	Medical Respite Care Services Private Duty Nursing
Stephens Home, LLC	Specialized Residential Home Personal Care & Community Living Supports
The Arc of Calhoun County	Skill Building
Turning Leaf Residential Rehabilitation	Specialized Residential Homes (16) Personal Care & Community Living Supports Community Living Supports, Ancillary Services Supported Independent Living
West Michigan Counseling & Psychological	Autism Services
West Shore Medical Personnel Services	Community Living Supports, Health Services Private Duty Nursing, Respite
Wrezinski AFC	Specialized Residential Home Personal Care & Community Living Supports
You're Always at Home AFC	Specialized Residential Home Personal Care & Community Living Supports

REQUEST FOR HEALTHWEST BOARD CONSIDERATION AND AUTHORIZATION

COMMITTEE Finance Committee	BUDGETED X	NON BUDGETED	PARTIALLY BUDGETED
REQUESTING DIVISION Provider Network Management	REQUEST DATE January 19, 2024	REQUESTOR SIGNATURE Anissa Goodno, Provider Network Specialist	
<u>SUMMARY OF REQUEST (GENERAL DESCRIPTION, FINANCING, OTHER OPERATIONAL IMPACT, POSSIBLE ALTERNATIVES)</u>			
<p>HealthWest Board authorization is requested to approve a single case agreement with various non-contracted providers for the provision of services for HealthWest Consumers.</p> <p>Below is a list of the single case agreements for consumer services;</p> <ol style="list-style-type: none"> 1. Regents of the University of Michigan located at 5082 Wolverine Tower, 3003 South State Steet, Ann Arbor, MI 48109. To provide twelve (12) Electroconvulsive Therapy (ECT) services for one consumer starting on 1/5/2023. The total expense for the twelve (12) sessions is not to exceed \$18,000.00. 2. Henry Ford Health Systems Kingswood Hospital, located at P.O. Box 670884, Detroit, MI 48267-0884 Consumer stay October 3, 2023 to November 3, 2023. The total expense for this thirty-two (32) day stay is not to exceed \$28,160.00. 			
<u>SUGGESTED MOTION (STATE EXACTLY AS IT SHOULD APPEAR IN THE MINUTES)</u>			
I move to authorize the HealthWest Executive Director to sign single case agreements with out of network providers in the amount of \$46,160.00 for services for HealthWest consumers.			
COMMITTEE DATE January 19, 2024	COMMITTEE APPROVAL _____ Yes _____ No _____ Other		
BOARD DATE January 25, 2024	BOARD APPROVAL _____ Yes _____ No _____ Other		

REQUEST FOR HEALTHWEST BOARD CONSIDERATION AND AUTHORIZATION

COMMITTEE Finance Committee	BUDGETED X	NON BUDGETED	PARTIALLY BUDGETED
REQUESTING DIVISION Provider Network Management	REQUEST DATE January 19, 2024	REQUESTOR SIGNATURE Rebecca StClair, Clinical Services Manager	
<u>SUMMARY OF REQUEST (GENERAL DESCRIPTION, FINANCING, OTHER OPERATIONAL IMPACT, POSSIBLE ALTERNATIVES)</u>			
<p>Approval is requested for HealthWest to contract with Stars Behavioral Health Group, Inc., located at 1501 Hughes Way, Suite 150, Long Beach California 90810, for the provision of consultation, training, and implementation of the transition to independence process (TIP) Model to HealthWest staff.</p> <p>This contract will be effective from January 1, 2024 through December 31, 2024, for a total expenditure not to exceed \$12,495.00.</p> <p>Scope of work includes:</p> <ol style="list-style-type: none"> 1. Contractor shall provide training and coaching. 2. Contractor shall provide mentoring. 3. Contractor shall provide technical assistance for up to two (2) Site-Based trainers. <p>The Transition Age Team and Juvenile Justice teams use an evidence-based practice model called Transition to Independence Process (TIP) as the primary model to serve youth and young adults with high intensity of need and low levels of support. The model was developed by Dr. Rusty Clark and is now administered exclusively through the Stars Training Academy by Stars Behavioral Health.</p> <p>Over 11 years ago, HealthWest in collaboration with Muskegon County Family Court and the Department of Health and Human Services sent six (6) individuals to become site-based trainers, to teach the TIP model and enable the teams using the model to maintain the fidelity. Currently one site-based trainer remains and is now in a position that is difficult to continue to carve out the necessary time to maintain the training of the teams.</p> <p>HealthWest would like to have the supervisors of the teams become site-based trainers to enable them to provide their own training internally and this contract would allow that. The funds have been identified within the System of Care grant and will cover the entire cost of the contract.</p>			
<u>SUGGESTED MOTION (STATE EXACTLY AS IT SHOULD APPEAR IN THE MINUTES)</u>			
<p>I move to authorize the HealthWest Executive Director to sign a contract with Stars Behavioral Health Group, Inc. to provide consultation, training, mentoring, and technical assistance to two site-based trainers to HealthWest Supervisors, at a cost not to exceed \$12,495.00 effective January 1, 2024 through December 31, 2024.</p>			
COMMITTEE DATE January 19, 2024	COMMITTEE APPROVAL _____ Yes _____ No _____ Other		
BOARD DATE January 25, 2024	BOARD APPROVAL _____ Yes _____ No _____ Other		

REQUEST FOR HEALTHWEST BOARD CONSIDERATION AND AUTHORIZATION

COMMITTEE Finance Committee	BUDGETED X	NON BUDGETED	PARTIALLY BUDGETED
REQUESTING DIVISION Provider Network	REQUEST DATE January 19, 2024	REQUESTOR SIGNATURE Jennifer Stewart, Clinical Services Manager	
<u>SUMMARY OF REQUEST (GENERAL DESCRIPTION, FINANCING, OTHER OPERATIONAL IMPACT, POSSIBLE ALTERNATIVES)</u>			
<p>Authorization is requested for HealthWest to increase the projected contract expenditure for Life Align and update funding sources for FY24. The funding sources and amounts are identified below:</p> <ol style="list-style-type: none"> 1. Increase from \$134,031.00 (PA- 2 Funding) to a total not to exceed \$137,124.00 (ARPA Funding) to reflect updated SUD budget with the Lakeshore Regional Entity (LRE) effective October 1, 2023 through September 30, 2024. 2. The \$3,720.00 funding from The Substance Use Disorder Treatment and Recovery Transportation Services Grant will remain the same from November 1, 2023 through September 30, 2024. 			
<u>SUGGESTED MOTION (STATE EXACTLY AS IT SHOULD APPEAR IN THE MINUTES)</u>			
I move to authorize HealthWest to approve the projected expenditure and funding sources for Life Align as stated above with a total not to exceed \$140,844.00, effective October 1, 2023 through September 30, 2024.			
COMMITTEE DATE	COMMITTEE APPROVAL _____ Yes _____ No _____ Other		
BOARD DATE	BOARD APPROVAL _____ Yes _____ No _____ Other		

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REQUEST FOR HEALTHWEST BOARD CONSIDERATION AND AUTHORIZATION

COMMITTEE Finance Committee	BUDGETED X	NON BUDGETED	PARTIALLY BUDGETED
REQUESTING DIVISION Provider Network Management	REQUEST DATE January 19, 2024	REQUESTOR SIGNATURE Shannon Morgan, Contract Specialist	
<u>SUMMARY OF REQUEST (GENERAL DESCRIPTION, FINANCING, OTHER OPERATIONAL IMPACT, POSSIBLE ALTERNATIVES)</u>			
<p>HealthWest Board authorization is requested to contract with the AFC provider listed below:</p> <p>1. Organic Care, LLC located at 1961 Reynolds Street, Muskegon, MI 49442 to provide specialized residential services effective February 1, 2024 through September 30, 2024. Organic Care, LLC is in the process of being credentialed through the Lakeshore Regional Entity. Organic Care, LLC will be paid with funding within the HealthWest budget, at a cost not to exceed \$182,250.00.</p>			
<u>SUGGESTED MOTION (STATE EXACTLY AS IT SHOULD APPEAR IN THE MINUTES)</u>			
<p>I move to authorize the HealthWest Executive Director to sign a contract with Organic Care, LLC to provide specialized residential services to eligible HealthWest consumers, at a cost not to exceed \$182,250.00 for FY2024.</p>			
COMMITTEE DATE January 19, 2024	COMMITTEE APPROVAL _____ Yes _____ No _____ Other		
BOARD DATE January 25, 2024	BOARD APPROVAL _____ Yes _____ No _____ Other		