

## HEALTHWEST

### FINANCE COMMITTEE MEETING MINUTES

April 19, 2024

8:00 a.m.

#### CALL TO ORDER

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

#### ROLL CALL

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

Committee Members Absent: Jeff Fortenbacher, Commissioner Charles Nash

Also Present: Rich Francisco, Holly Brink, Gina Post, Brandy Carlson, Shannon Morgan, Amber Berndt, John Weerstra, Gina Kim, Jackie Farrar, Kristi Chittenden, Justine Belvitch, Melina Barrett, Anissa Goodno, Urbaine Ndoeye, Mickey Wallace, Brittani Duff, Gary Ridley

Guests Present: Angela Gasiewski, Christina Schaub, William Hirschman

#### MINUTES

It was moved by Mr. Hardy, seconded by Commissioner Hovey-Wright, to approve the minutes of the March 15, 2024, meeting as written.

**MOTION CARRIED**

#### ITEMS FOR CONSIDERATION

A. Approval of Expenditures for February 2024

It was moved by Mr. Hardy, seconded by Commissioner Hovey-Wright, to approve expenditures for the month of February 2024, in the total amount of \$8,222,864.46.

**MOTION CARRIED**

B. Monthly Report from the Chief Financial Officer

Ms. Carlson presented the February report, noting an overall cash balance of \$2,511,359.26 as of February 29, 2024.

C. Finance Update Memorandum

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

D. HealthWest 2023 Financial Statement

Roslund Prestage & Company presented the HealthWest 2023 Financial Statement for the Board review.

E. Authorization to Approve Contract Increase for Relias Learning

It was moved by Mr. Harvey, seconded by Commissioner Hovey-Wright, to authorize the HealthWest Board of Directors to sign the amendment to the contract with Relias Learning to purchase 100 additional Training Seats, increasing the total expenditure to \$79,131.00

**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:

- I received a notification Memo from the LRE this week. This prompted a review of SEDW services, possibly our non-compliance with a requirement of the program to provide Wrap Around services each month to individuals in this program. I am having our Compliance Team and Quality Improvement Team review the data. There was a change in January per MDHHS that SEDW program recipients get Wrap Around services, code H2022. While we do not have many kids in the SEDW program, we want to ensure that we are complying with service delivery requirements.
- HealthWest is also looking into the CCBHC T1040 codes, and reviewing whether we are providing all the codes related to the mild to moderate services that we are providing. The LRE is developing reports to review these codes for accuracy and completeness per CMHSP. We at HW use this along with our internal reports as a starting point and to help dig into our encounter reporting related to CCBHC and adjust procedures or practice if we need to.
- There continues to be ongoing discussion with LRE on the CMHSP/LRE contract. The goal is still to have the contract finalized by October 1, 2024 and CMHSPs will be signing current contract extensions until then.
- CARF survey date has now been set, and that will be on May 15<sup>th</sup> through May 17<sup>th</sup>. Staff have been busy preparing and ensuring our policies and procedures for various standard requirements are updated. Shortly after our CARF audit week, I will be attending the CMHA director's forum on May 19<sup>th</sup>.
- NatCon Update:
  - Successful conference but a very busy conference. There was a handle of themes this year with one of the biggest themes is the use of AI in various areas of HealthCare and Mental Health. Just so many areas that are using AI now and the value that it adds to the any sector. We will be seeing more AI on the day-to-day technology such as in the wearables for diagnostics and prevention and Electronic medical records enhancement with AI for efficiency.
  - The TED talk presentations were very successful, and many people truly enjoyed that format more than the traditional 45 to an hour session on topics.
  - The conference ended with an interview format presentation with Michelle Obama and interviewed by renowned author Isabelle Wilkerson. The halls were packed and the presentation was very encouraging and positive.
- Lastly, Mr. Francisco share that that him and Cyndi met with MDHHS director, Donata Kidd, to touch base on projects that overlapped with them. One is an update on the MichiCANS soft launch, MDHHS is now doing their soft launch and pilot and are not doing the MichiCANS prescreen. They are completing MichiCANS for kids entering the foster care system, and if a referral is made to HW it will be routed to us via CC360. Upon the completion of their assessment, we will be keeping our eye on the prescreens referred to our CMH. The other discussion we had was surrounding the Medicaid enrollment process, and Donata was going to look more into the various cases where we have individuals that are dropping off

from DAB to other fund sources. She is going to look for systemic issues on their end. In the meantime, she wants HW to escalate cases to her to investigate further.

**AUDIENCE PARTICIPATION**

Angela Gasiewski, Muskegon County Finance Director, shared the audit report from this year was a very dramatic improvement and recognized Ms. Carlson and her Finance Team for all of their hard work and great improvement.

**ADJOURNMENT**

There being no further business to come before the committee, the meeting adjourned at 8:36 a.m.

Respectfully,

Janet Thomas  
Committee Vice-Chair

/hb

**PRELIMINARY MINUTES**  
**To be approved at the Finance Meeting on**  
May 17, 2024



# FINANCE COMMITTEE

April 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 March 15, 2024<br>(Attachment #1 pg.1-2)                              | Action      |
| 3. | Items for Consideration   |             |
|    | A. Approval of Expenditures for February 2024<br>(Attachment #2 pg. 3)                              | Action      |
|    | B. Monthly Report from the Chief Financial Officer<br>(Attachment #3 pg. 4-15)                      | Information |
|    | C. Finance Update Memorandum<br>(Attachment #4 pg. 16)  | Information |
|    | D. HealthWest 2023 Financial Statement –<br>Roslund Prestage & Company<br>(Attachment #5 pg. 17-28) | Information |
|    | E. Authorization to Approve Contract Increase for Relias Learning<br>(Attachment #6 pg. 29)         | Action      |
| 4. | Old Business  |             |
| 5. | New Business  |             |
| 6. | Communication   | Information |
| 7. | Director’s Comments   | Information |
| 8. | Audience Participation  |             |
| 9. | Adjournment   | Action      |

/hb

**HEALTHWEST****FINANCE COMMITTEE MEETING MINUTES****Friday, March 15, 2024****8:00 a.m.****CALL TO ORDER**

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

**ROLL CALL**

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

Committee Members Absent:     Remington Sprague, M.D., Commissioner Charles Nash

Also Present:     Rich Francisco, Holly Brink, Shannon Morgan, Gina Post, Brandy Carlson, Gordon Peterman, Amber Berndt, John Weerstra, Gina Kim, Jackie Farrar, Kristi Chittenden, Cyndi Blair, Justine Belvitch, Suzanne Beckeman, Linda Wagner, Melina Barrett, Natalie Walther, Latesha Johnson, Jamey Curtis

Guests Present:     Angela Gasiewski

**MINUTES**

It was moved by Mr. Hardy, seconded by Ms. Thomas, to approve the minutes of the February 16, 2024, meeting as written.

**MOTION CARRIED****ITEMS FOR CONSIDERATION****A.     Approval of Expenditures for January 2024**

It was moved by Mr. Hardy, seconded by Commissioner Hovey-Wright, to approve expenditures for the month of January 2024, in the total amount of \$7,801,706.53.

**MOTION CARRIED****B.     Monthly Report from the Chief Financial Officer**

Ms. Carlson presented the January report, noting an overall cash balance of \$7,943,383.80 as of January 31, 2024.

**C.     Finance Update Memorandum**

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

**D.     Authorization to Approve Grant Funded Agreements**

It was moved by Mr. Hardy, second by Commissioner Hovey-Wright, to approve the HealthWest Executive Director to accept the Assisted Outpatient Treatment I/I Initiative Grant for a total of \$308,042 effective April 1, 2024 through September 30, 2025.

**MOTION CARRIED****E.     Authorization to Approve Increase Projected Contract Expenditures for Core Solutions, Inc.**

It was moved by Mr. Hardy, seconded by Ms. Thomas, to authorize the HealthWest Board of Directors to approve the projected expenditure with Core Solutions, Inc. with a total of \$133,000.00 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**

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

- LRE Contract Discussion at the LRE continues to occur. A discussion workgroup has been formed and on March 14,2024 a meeting was held to bring some regional staff from across the CMH to discuss all the items brought back from the second round of feedback. The first round of feedback mostly came from our CMH and WM with our corporate counsel offering some suggestions. There is more work to be done before the contract with the LRE will be executed. The LRE will continue to extend the contract until the new agreement is finalized. The LRE is forecasting that August will be the timeframe for execution of the contract.
- Regional COFR discussions. The CMH regional COFR workgroup continues to meet with West Michigan setting the meetings. I have mentioned before that because most of the CMHs in our region are now CCBHC demonstrations, the CMHs are seeing a need for better standardized guidelines on how to deal with COFR situations. There will be a dual approach because our region must account for those CMHs that are not CCBHC demonstrations sites. The workgroup's goal is to develop a set of guidelines for COFR best practice.
- The CARF survey date has now been set and that will be on May 15 through to May 17.

**AUDIENCE PARTICIPATION**

There was no audience participation.

**ADJOURNMENT**

There being no further business to come before the committee, the meeting adjourned at 8:25 a.m.

Respectfully,

Jeff Fortenbacher  
Committee Chair

/hb

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

## REQUEST FOR HEALTHWEST BOARD CONSIDERATION AND AUTHORIZATION

<b>COMMITTEE</b> Finance Committee	<b>BUDGETED</b> X	<b>NON-BUDGETED</b>	<b>PARTIALLY BUDGETED</b>
<b>REQUESTING DIVISION</b> Administration	<b>REQUEST DATE</b> April 19, 2024		<b>REQUESTOR SIGNATURE</b> Brandy Carlson, Chief Financial Officer
<b><u>SUMMARY OF REQUEST (GENERAL DESCRIPTION, FINANCING, OTHER OPERATIONAL IMPACT, POSSIBLE ALTERNATIVES)</u></b>			
<p>Expenditures for the month of February 2024 totaled \$8,222,864.46. Large or unusual expenditures for the month includes:</p> <ol style="list-style-type: none"> <li>1. Payments to Covenant Academies Foundation in the amount of \$154,145.01 for Office Space Rent/Lease.</li> <li>2. Payments to Lakeshore Regional Entity in the amount of \$55,248.64 for a refund of grant dollars not utilized.</li> <li>3. Payments to Mercy Health Partners – Hackley Campus in the amount of \$318,734.00 for Community Inpatient services.</li> <li>4. ACH Payments to MOKA Corporation in the amount of \$586,016.47 for Vocational and Residential services.</li> <li>5. Payments to Pine Rest Christian Hospital in the amount of \$146,324.00 for Community Inpatient services.</li> </ol>			
<b><u>SUGGESTED MOTION (STATE EXACTLY AS IT SHOULD APPEAR IN THE MINUTES)</u></b>			
I move to approve expenditures for the month of February 2024, in the total amount of \$8,222,864.46.			
<b>COMMITTEE DATE</b> April 19, 2024	<b>COMMITTEE APPROVAL</b> _____ Yes    _____ No    _____ Other		
<b>BOARD DATE</b> April 26, 2024	<b>BOARD APPROVAL</b> _____ Yes    _____ No    _____ Other		

HealthWest



February 2024

Board Report

**Summary Speciality Services  
October 2023 - February 2024**

	<b>Actual YTD</b>	<b>Budget YTD</b>	<b>Balance YTD</b>	<b>Year End Expense Projection</b>	<b>Annual Budget</b>	<b>YTD Utilization</b>
<b>Total Expense Budgeted Services</b>	<b>\$ 11,079,535.96</b>	<b>\$ 18,020,583.75</b>	<b>\$ 6,941,047.79</b>	<b>\$ 26,590,886.30</b>	<b>\$ 43,249,401.00</b>	<b>26%</b>
<b>Speciality Services</b>						
Autism	\$ 363,680.10	\$ 621,270.83	\$ 257,590.73	\$ 872,832.24	\$ 1,491,050.00	24%
Community Inpatient	\$ 2,137,894.53	\$ 2,569,583.33	\$ 431,688.80	\$ 5,130,946.87	\$ 6,167,000.00	35%
Outpatient	\$ 1,246,584.97	\$ 3,149,200.83	\$ 1,902,615.86	\$ 2,991,803.93	\$ 7,558,082.00	16%
Specialized Residential	\$ 6,015,447.89	\$ 8,749,218.75	\$ 2,733,770.86	\$ 14,437,074.94	\$ 20,998,125.00	29%
SUD Services	\$ 1,315,928.47	\$ 2,931,310.00	\$ 1,615,381.53	\$ 3,158,228.33	\$ 7,035,144.00	19%
<b>Total Speciality Services</b>	<b>\$ 11,079,535.96</b>	<b>\$ 18,020,583.75</b>	<b>\$ 6,941,047.79</b>	<b>\$ 26,590,886.30</b>	<b>\$ 43,249,401.00</b>	<b>26%</b>

**Summary Speciality Services  
October 2023 - February 2024**

	Actual YTD	Budget YTD	Balance YTD	Year End Expense		YTD
				Projection	Annual Budget	Utilization
<b>Autism Providers (102)</b>						
Ivy Rehab Michigan	\$ 65,256.13	85,833.33	20,577.20	156,614.71	\$ 206,000.00	32%
Pioneer Resources	\$ 73,390.48	177,083.33	103,692.85	176,137.15	\$ 425,000.00	17%
Postive Behavior Supports	\$ 113,809.10	156,645.83	42,836.73	273,141.84	\$ 375,950.00	30%
Rebound Rehabilitation Services	\$ 75,446.39	85,833.33	10,386.94	181,071.34	\$ 206,000.00	37%
West Michigan	\$ 35,778.00	115,875.00	80,097.00	85,867.20	\$ 278,100.00	13%
<b>Total Autism Expense</b>	<b>\$ 363,680.10</b>	<b>\$ 621,270.83</b>	<b>\$ 257,590.73</b>	<b>\$ 872,832.24</b>	<b>\$ 1,491,050.00</b>	<b>24%</b>
<b>Community Inpatient Providers</b>						
BCA	\$ -	\$ 21,874.63	\$ 21,874.63	\$ -	\$ 52,499.10	0%
Cedar Creek	\$ 93,525.00	\$ 83,200.00	\$ (10,325.00)	\$ 224,460.00	\$ 199,680.00	47%
Doctors Behavioral	\$ 1,872.00	\$ -	\$ (1,872.00)	\$ 4,492.80	\$ -	n/a
Forest View	\$ 278,448.72	\$ 445,904.17	\$ 167,455.45	\$ 668,276.93	\$ 1,070,170.00	26%
Harbor Oaks	\$ 38,400.00	\$ 75,104.17	\$ 36,704.17	\$ 92,160.00	\$ 180,250.00	21%
Havenwyk	\$ 8,866.00	\$ 62,708.33	\$ 53,842.33	\$ 21,278.40	\$ 150,500.00	6%
HealthSource Saginaw	\$ 6,918.32	\$ 41,666.67	\$ 34,748.35	\$ 16,603.97	\$ 100,000.00	7%
Henry Ford Kingswood	\$ 28,160.00	\$ -	\$ (28,160.00)	\$ 67,584.00	\$ -	n/a
Holland Hospital	\$ 20,997.00	\$ 25,112.50	\$ 4,115.50	\$ 50,392.80	\$ 60,270.00	35%
Hurley Medical Center	\$ 4,490.00	\$ -	\$ (4,490.00)	\$ 10,776.00	\$ -	n/a
Lakeland Hospital	\$ 1,600.00	\$ -	\$ (1,600.00)	\$ 3,840.00	\$ -	n/a
Mercy Health - Hackly	\$ 1,010,568.00	\$ 1,189,478.33	\$ 178,910.33	\$ 2,425,363.20	\$ 2,854,748.00	35%
Neuropsychiatric Hospital	\$ 1,600.00	\$ -	\$ (1,600.00)	\$ 3,840.00	\$ -	n/a
Neuropsychiatric Hospital - Indianapolis	\$ 1,600.00	\$ -	\$ (1,600.00)	\$ 3,840.00	\$ -	n/a
Trinity Health	\$ 31,820.85	\$ 51,079.17	\$ 19,258.32	\$ 76,370.04	\$ 122,590.00	26%
Pine Rest Christian	\$ 609,028.64	\$ 940,561.67	\$ 331,533.03	\$ 1,461,668.74	\$ 2,257,348.00	27%
Samaritan Behavioral Health		\$ -	\$ -	\$ -	\$ -	n/a
<b>Total Community Inpatient Expense</b>	<b>\$ 2,137,894.53</b>	<b>\$ 2,936,689.63</b>	<b>\$ 798,795.10</b>	<b>\$ 5,130,946.87</b>	<b>\$ 7,048,055.10</b>	<b>30%</b>

**Summary Speciality Services  
October 2023 - February 2024**

	Actual YTD	Budget YTD	Balance YTD	Year End Expense		YTD Utilization
				Projection	Annual Budget	
<b>Outpatient Service Providers</b>						
Case Management of MI	\$ 17,289.08	\$ 25,750.00	\$ 8,460.92	\$ 41,493.79	\$ 61,800.00	28%
Comprehensive Therapy	\$ 12,432.65	\$ 24,033.33	\$ 11,600.68	\$ 29,838.36	\$ 57,680.00	22%
Convenant Enabling	\$ -	\$ 80,062.50	\$ 80,062.50	\$ -	\$ 192,150.00	0%
Cornerstone AFC	\$ 7,288.50	\$ 43,750.00	\$ 36,461.50	\$ 17,492.40	\$ 105,000.00	7%
Cornerstone I	\$ -	\$ 37,625.00	\$ 37,625.00	\$ -	\$ 90,300.00	0%
Cornerstone II	\$ -	\$ 43,750.00	\$ 43,750.00	\$ -	\$ 105,000.00	0%
Cornerstone Management		\$ 16,375.00	\$ 16,375.00	\$ -	\$ 39,300.00	0%
Crestsinger Care Home	\$ -	\$ 70,416.67	\$ 70,416.67	\$ -	\$ 169,000.00	0%
DayBreak Adult	\$ 144,898.44	\$ 225,312.50	\$ 80,414.06	\$ 347,756.26	\$ 540,750.00	27%
FA-HO-LO Family		\$ 5,000.00	\$ 5,000.00	\$ -	\$ 12,000.00	0%
Falco - Allegan		\$ -	\$ -	\$ -		n/a
Flatrock Manor	\$ 6,601.95	\$ 2,083.33	\$ (4,518.62)	\$ 15,844.68	\$ 5,000.00	132%
Goodwill Industries of West MI	\$ 22,788.01	\$ 173,383.33	\$ 150,595.32	\$ 54,691.22	\$ 416,120.00	5%
Heart and Hands In Home Care		\$ 32,187.50	\$ 32,187.50	\$ -	\$ 77,250.00	0%
Hernandez Home		\$ -	\$ -	\$ -		n/a
HGA	\$ -	\$ -	\$ -	\$ -		n/a
Hope Network		\$ 62,500.00	\$ 62,500.00	\$ -	\$ 150,000.00	0%
Hope Network West MI	\$ -	\$ -	\$ -	\$ -		n/a
JBC	\$ -	\$ -	\$ -	\$ -		n/a
Kelly's Kare AFC	\$ -	\$ -	\$ -	\$ -	\$ -	n/a
Kelly's Kare Community Living Supports	\$ 114,114.78	\$ 139,479.17	\$ 25,364.39	\$ 273,875.47	\$ 334,750.00	34%
Lydia's AFC	\$ -	\$ -	\$ -	\$ -		n/a
Martell & Company	\$ 2,711.20	\$ 42,916.67	\$ 40,205.47	\$ 6,506.88	\$ 103,000.00	3%
MOKA	\$ 480,083.70	\$ 760,416.67	\$ 280,332.97	\$ 1,152,200.88	\$ 1,825,000.00	26%
Overcoming Barriers	\$ 5,554.05	\$ 17,166.67	\$ 11,612.62	\$ 13,329.72	\$ 41,200.00	13%
Pathfinders	\$ -	\$ 12,875.00	\$ 12,875.00	\$ -	\$ 30,900.00	0%
Pioneer Resources	\$ 301,219.90	\$ 791,666.67	\$ 490,446.77	\$ 722,927.76	\$ 1,900,000.00	16%

**Summary Speciality Services  
October 2023 - February 2024**

	Actual YTD	Budget YTD	Balance YTD	Year End Expense		YTD
				Projection	Annual Budget	Utilization
Preferred Employment & Living	\$ 70,397.73	\$ 212,437.50	\$ 142,039.77	\$ 168,954.55	\$ 509,850.00	14%
Pro Care Unlimited	\$ -	\$ 64,375.00	\$ 64,375.00	\$ -	\$ 154,500.00	0%
Residential Opportunities	\$ -	\$ -	\$ -	\$ -		n/a
Samaritas	\$ -	\$ -	\$ -	\$ -		n/a
Shel-Mar AFC	\$ -	\$ -	\$ -	\$ -		n/a
St. John's Health Care	\$ 60,027.48	\$ 186,687.50	\$ 126,660.02	\$ 144,065.95	\$ 448,050.00	13%
Stephens Home		\$ -	\$ -	\$ -		n/a
Turning Leaf Residential	\$ 1,177.50	\$ 52,083.33	\$ 50,905.83	\$ 2,826.00	\$ 125,000.00	1%
West Shore Medical		\$ 64,375.00	\$ 64,375.00	\$ -	\$ 154,500.00	0%
Wrezinski AFC	\$ -	\$ -	\$ -	\$ -		n/a
You're Always At Home	\$ -	\$ -	\$ -	\$ -		n/a
		\$ -	\$ -	\$ -		
<b>Total Outpatient Expense</b>	<b>\$ 1,246,584.97</b>	<b>\$ 3,186,708.33</b>	<b>\$ 1,940,123.36</b>	<b>\$ 2,991,803.93</b>	<b>\$ 7,648,100.00</b>	<b>16%</b>

**Specialized Residential Providers (110)**

Adia	\$ 40,384.32	\$ 54,687.50	\$ 14,303.18	\$ 96,922.37	\$ 131,250.00	31%
Alval By The Lake	\$ -	\$ 15,312.50	\$ 15,312.50	\$ -	\$ 36,750.00	0%
Amanda Family	\$ 161,724.96	\$ 275,625.00	\$ 113,900.04	\$ 388,139.90	\$ 661,500.00	24%
Anikare	\$ 66,634.25	\$ 85,750.00	\$ 19,115.75	\$ 159,922.20	\$ 205,800.00	32%
Beacon	\$ 763,479.66	\$ 1,159,375.00	\$ 395,895.34	\$ 1,832,351.18	\$ 2,782,500.00	27%
Bracey	\$ 14,482.55	\$ 15,312.50	\$ 829.95	\$ 34,758.12	\$ 36,750.00	39%
Brightside Living	\$ 15,887.50	\$ 39,921.88	\$ 24,034.38	\$ 38,130.00	\$ 95,812.50	17%
Convenant Enabling	\$ 31,519.16	\$ 80,062.50	\$ 48,543.34	\$ 75,645.98	\$ 192,150.00	16%
Cornerstone		\$ 43,750.00	\$ 43,750.00	\$ -	\$ 105,000.00	0%
Cornerstone I		\$ 37,625.00	\$ 37,625.00	\$ -	\$ 90,300.00	0%
Cornerstone II	\$ 22,492.16	\$ 43,750.00	\$ 21,257.84	\$ 53,981.18	\$ 105,000.00	21%
Cornerstone Management	\$ 7,288.50	\$ 43,750.00	\$ 36,461.50	\$ 17,492.40	\$ 105,000.00	7%
Crestsinger Care Home	\$ 90,006.74	\$ 73,937.50	\$ (16,069.24)	\$ 216,016.18	\$ 177,450.00	51%
FA-HO-LO Family	\$ 185,272.36	\$ 275,000.00	\$ 89,727.64	\$ 444,653.66	\$ 660,000.00	28%

**Summary Speciality Services  
October 2023 - February 2024**

	<b>Actual YTD</b>	<b>Budget YTD</b>	<b>Balance YTD</b>	<b>Year End Expense</b>		<b>YTD</b>
				<b>Projection</b>	<b>Annual Budget</b>	<b>Utilization</b>
Falco - Allegan	\$ 32,084.08	\$ 80,937.50	\$ 48,853.42	\$ 77,001.79	\$ 194,250.00	17%
Flatrock Manor	\$ 241,349.28	\$ 438,916.67	\$ 197,567.39	\$ 579,238.27	\$ 1,053,400.00	23%
Heartland	\$ -	\$ 150,208.33	\$ 150,208.33	\$ -	\$ 360,500.00	0%
Hernandez	\$ 44,126.88	\$ 78,750.00	\$ 34,623.12	\$ 105,904.51	\$ 189,000.00	23%
HGA	\$ 749,605.64	\$ 1,454,687.50	\$ 705,081.86	\$ 1,799,053.54	\$ 3,491,250.00	21%
Hope Network Behavioral	\$ 290,490.81	\$ 725,000.00	\$ 434,509.19	\$ 697,177.94	\$ 1,740,000.00	17%
Hope Network West MI		\$ 196,875.00	\$ 196,875.00	\$ -	\$ 472,500.00	0%
JBC Home	\$ 85,502.87	\$ 122,062.50	\$ 36,559.63	\$ 205,206.89	\$ 292,950.00	29%
Kelly's Kare AFC	\$ 90,641.65	\$ 131,250.00	\$ 40,608.35	\$ 217,539.96	\$ 315,000.00	29%
Lydia's AFC	\$ 32,576.13	\$ 47,250.00	\$ 14,673.87	\$ 78,182.71	\$ 113,400.00	29%
MOKA Corporation	\$ 1,337,011.32	\$ 2,280,208.33	\$ 943,197.01	\$ 3,208,827.17	\$ 5,472,500.00	24%
Pioneer Resources	\$ 713,517.88	\$ 1,229,687.50	\$ 516,169.62	\$ 1,712,442.91	\$ 2,951,250.00	24%
Residential Opportunities	\$ 108,745.00	\$ 85,312.50	\$ (23,432.50)	\$ 260,988.00	\$ 204,750.00	53%
Samaritas	\$ 488,629.62	\$ 853,125.00	\$ 364,495.38	\$ 1,172,711.09	\$ 2,047,500.00	24%
Shel-Mar AFC	\$ 3,100.00	\$ 45,937.50	\$ 42,837.50	\$ 7,440.00	\$ 110,250.00	3%
Stephens Home	\$ 41,685.00	\$ 95,812.50	\$ 54,127.50	\$ 100,044.00	\$ 229,950.00	18%
Turning Leaf Residential	\$ 283,408.26	\$ 735,416.67	\$ 452,008.41	\$ 680,179.82	\$ 1,765,000.00	16%
Wrezinski AFC		\$ 32,812.50	\$ 32,812.50	\$ -	\$ 78,750.00	0%
You're Always At Home	\$ 73,801.31	\$ 65,625.00	\$ (8,176.31)	\$ 177,123.14	\$ 157,500.00	47%
<b>Total Specialized Residential Services</b>	<b>\$ 6,015,447.89</b>	<b>\$ 11,093,734.38</b>	<b>\$ 5,078,286.49</b>	<b>\$ 14,437,074.94</b>	<b>\$ 26,624,962.50</b>	<b>23%</b>

**Summary Speciality Services  
October 2023 - February 2024**

	Actual YTD	Budget YTD	Balance YTD	Year End Expense		YTD Utilization
				Projection	Annual Budget	
<b>SUD Services Providers</b>						
<b>Outpatient (112,117)</b>						
ACAC	\$ 52,129.95	\$ 130,416.67	\$ 78,286.72	\$ 125,111.88	\$ 313,000.00	17%
Addiction Treatment Service	\$ 1,174.64	\$ 979.17	\$ (195.47)	\$ 2,819.14	\$ 2,350.00	50%
Arbor Circle	\$ 40,850.72	\$ 80,000.00	\$ 39,149.28	\$ 98,041.73	\$ 192,000.00	21%
Catholic Charities	\$ 42,503.85	\$ 36,458.33	\$ (6,045.52)	\$ 102,009.24	\$ 87,500.00	49%
Cherry Street	\$ 59,808.07	\$ 833,333.33	\$ 773,525.26	\$ 143,539.37	\$ 2,000,000.00	3%
Community Healing Center		\$ 20,312.50	\$ 20,312.50	\$ -	\$ 48,750.00	0%
CRC Recovery	\$ 6,645.24	\$ 8,333.33	\$ 1,688.09	\$ 15,948.58	\$ 20,000.00	33%
Eastside	\$ 42,955.61	\$ 129,583.33	\$ 86,627.72	\$ 103,093.46	\$ 311,000.00	14%
Family Outreach Center	\$ 104,594.78	\$ 93,750.00	\$ (10,844.78)	\$ 251,027.47	\$ 225,000.00	46%
Harbor Hall	\$ -	\$ 416.67	\$ 416.67	\$ -	\$ 1,000.00	0%
Priscilla Shaffer		\$ 1,666.67	\$ 1,666.67	\$ -	\$ 4,000.00	0%
Reach for Recovery	\$ 6,983.23	\$ 12,500.00	\$ 5,516.77	\$ 16,759.75	\$ 30,000.00	23%
RLC Property Mangement	\$ -	\$ 9,583.33	\$ 9,583.33	\$ -	\$ 23,000.00	0%
Wedgwood	\$ 6,988.52	\$ 39,244.79	\$ 32,256.27	\$ 16,772.45	\$ 94,187.50	7%
<b>Total for Outpatient</b>	<b>\$ 364,634.61</b>	<b>\$ 1,396,578.13</b>	<b>\$ 1,031,943.52</b>	<b>\$ 875,123.06</b>	<b>\$ 3,351,787.50</b>	<b>11%</b>
<b>Crisis Residential (107)</b>						
Addiction Treatment Service	\$ 13,132.33	\$ 14,295.83	\$ 1,163.50	\$ 31,517.59	\$ 34,310.00	38%
Arbor Circle	\$ 19,237.86	\$ 15,000.00	\$ (4,237.86)	\$ 46,170.86	\$ 36,000.00	53%
Building Men for Life	\$ 2,280.42	\$ 3,875.00	\$ 1,594.58	\$ 5,473.01	\$ 9,300.00	25%
Community Healing Center	\$ 37,377.76	\$ 20,312.50	\$ (17,065.26)	\$ 89,706.62	\$ 48,750.00	77%
Every Woman's Place	\$ 34,632.52	\$ 41,666.67	\$ 7,034.15	\$ 83,118.05	\$ 100,000.00	35%
Fresh Coast Alliance	\$ 17,504.26	\$ 25,416.67	\$ 7,912.41	\$ 42,010.22	\$ 61,000.00	29%
Harbor Hall	\$ 19,237.86	\$ 12,916.67	\$ (6,321.19)	\$ 46,170.86	\$ 31,000.00	62%
Our Hope	\$ 8,590.40	\$ 54,166.67	\$ 45,576.27	\$ 20,616.96	\$ 130,000.00	7%
Reach for Recovery	\$ 18,127.61	\$ 15,972.08	\$ (2,155.53)	\$ 43,506.26	\$ 38,333.00	47%

**Summary Speciality Services  
October 2023 - February 2024**

	Year End Expense					YTD
	Actual YTD	Budget YTD	Balance YTD	Projection	Annual Budget	Utilization
Recovery Road	\$ 21,107.79	\$ 22,916.67	\$ 1,808.88	\$ 50,658.70	\$ 55,000.00	38%
RLC Property Management	\$ 945.54	\$ 9,583.33	\$ 8,637.79	\$ 2,269.30	\$ 23,000.00	4%
Sacred Heart Rehabilitation	\$ 11,470.08	\$ 11,458.33	\$ (11.75)	\$ 27,528.19	\$ 27,500.00	42%
Salvation Army Turning Point	\$ 70,182.64	\$ 96,666.67	\$ 26,484.03	\$ 168,438.34	\$ 232,000.00	30%
<b>Total Crisis Residential</b>	<b>\$ 273,827.07</b>	<b>\$ 314,951.25</b>	<b>\$ 41,124.18</b>	<b>\$ 657,184.97</b>	<b>\$ 755,883.00</b>	<b>36%</b>
<b>Case Management (104)</b>						
Addiction Treatment Service	\$ 148.14	\$ 587.50	\$ 439.36	\$ 355.54	\$ 1,410.00	11%
Arbor Circle	\$ 197.52	\$ 5,000.00	\$ 4,802.48	\$ 474.05	\$ 12,000.00	2%
Catholic Charities	\$ -	\$ 36,458.33	\$ 36,458.33	\$ -	\$ 87,500.00	0%
Community Healing Center	\$ -	\$ 20,312.50	\$ 20,312.50	\$ -	\$ 48,750.00	0%
CRC Recovery	\$ -	\$ 8,333.33	\$ 8,333.33	\$ -	\$ 20,000.00	0%
Eastside	\$ 1,753.35	\$ 212,916.67	\$ 211,163.32	\$ 4,208.04	\$ 511,000.00	0%
Family Outreach Center	\$ 641.94	\$ 164,583.33	\$ 163,941.39	\$ 1,540.66	\$ 395,000.00	0%
Our Hope	\$ -	\$ 416.67	\$ 416.67	\$ -	\$ 1,000.00	0%
Reach for Recovery	\$ -	\$ 15,972.50	\$ 15,972.50	\$ -	\$ 38,334.00	0%
Wedgwood	\$ -	\$ 39,244.79	\$ 39,244.79	\$ -	\$ 94,187.50	0%
<b>Total Case Management</b>	<b>\$ 2,740.95</b>	<b>\$ 498,238.13</b>	<b>\$ 495,497.18</b>	<b>\$ 6,578.28</b>	<b>\$ 1,195,771.50</b>	<b>0%</b>
<b>Transportation (125)</b>						
Life Align	\$ 310.00	\$ 1,550.00	\$ 1,240.00	\$ 744.00	\$ 3,720.00	8%
Wedgwood		\$ 39,244.79	\$ 39,244.79	\$ -	\$ 94,187.50	0%
<b>Total Transportation</b>	<b>\$ 310.00</b>	<b>\$ 40,794.79</b>	<b>\$ 40,484.79</b>	<b>\$ 744.00</b>	<b>\$ 97,907.50</b>	<b>0%</b>
<b>Misc (124,111,126)</b>						
Addiction Treatment Service	\$ 7,279.71	\$ 3,720.83	\$ (3,558.88)	\$ 17,471.30	\$ 8,930.00	82%
Cherry Street	\$ 344,167.76	\$ 291,666.67	\$ (52,501.09)	\$ 826,002.62	\$ 700,000.00	49%

**Summary Speciality Services  
October 2023 - February 2024**

	<b>Actual YTD</b>	<b>Budget YTD</b>	<b>Balance YTD</b>	<b>Year End Expense</b>		<b>YTD</b>
				<b>Projection</b>	<b>Annual Budget</b>	<b>Utilization</b>
Community Healing Center	\$ 29,471.01	\$ 20,312.50	\$ (9,158.51)	\$ 70,730.42	\$ 48,750.00	60%
CRC Recovery	\$ 13,357.00	\$ 8,333.33	\$ (5,023.67)	\$ 32,056.80	\$ 20,000.00	67%
Eastside	\$ 153,102.00	\$ 83,333.33	\$ (69,768.67)	\$ 367,444.80	\$ 200,000.00	77%
Harbor Hall	\$ 4,171.50	\$ 2,916.67	\$ (1,254.83)	\$ 10,011.60	\$ 7,000.00	60%
Life Align	\$ 34,213.87	\$ 57,135.00	\$ 22,921.13	\$ 82,113.29	\$ 137,124.00	25%
Our Hope	\$ 1,557.36	\$ 54,166.67	\$ 52,609.31	\$ 3,737.66	\$ 130,000.00	1%
Reach for Recovery	\$ 1,918.89	\$ 3,472.08	\$ 1,553.19	\$ 4,605.34	\$ 8,333.00	23%
Sacred Heart Rehabilitation	\$ 7,380.87	\$ 11,458.33	\$ 4,077.46	\$ 17,714.09	\$ 27,500.00	27%
Salvation Army Turning Point	\$ 40,157.87	\$ 96,666.67	\$ 56,508.80	\$ 96,378.89	\$ 232,000.00	17%
The Grand Rapids Red Project	\$ 37,635.00	\$ 70,833.33	\$ 33,198.33	\$ 90,324.00	\$ 170,000.00	22%
Wedgwood	\$ -	\$ 39,244.79	\$ 39,244.79	\$ -	\$ 94,187.50	0%
<b>Total Misc/Medication</b>	\$ 674,412.84	\$ 739,539.38	\$ 65,126.54	\$ 1,618,590.82	\$ 1,774,894.50	38%
<b>SUD Total Expenses</b>	\$ 1,315,925.47	\$ 2,990,101.67	\$ 1,674,176.20	\$ 3,158,221.13	\$ 7,176,244.00	18%

## HealthWest

### Statement of Revenues, Expenditures and Changes in Fund Balances

Budget to Actual

For the Period from October 1, 2023 through February 29, 2024

	Original Budget	YTD Budget	YTD Actual	Over (Under) YTD Budget
<b>Revenues</b>				
Medicaid funding:				
Medicaid capitation	\$ 62,472,930	\$ 26,030,388	\$ 25,230,100	\$ (800,288)
Medicaid - Autism capitation	8,901,598	3,708,999	3,953,685	244,686
Medicaid capitation - settlement	-	-	(4,426,272)	(4,426,272)
Healthy Michigan Plan	7,443,215	3,101,339	3,340,754	239,415
Healthy Michigan Plan - settlement	-	-	630,749	630,749
CCBHC Supplemental	9,829,312	4,095,547	4,385,629	290,082
CCBHC - Settlement	-	-	1,410,661	1,410,661
State General Fund:				
Formula Fundings	2,066,287	860,953	860,954	1
Settlement	-	-	-	-
Grant Revenue	7,196,098	2,998,374	1,982,115	(1,016,259)
Local revenue:				
County appropriation	706,819	294,508	294,505	(3)
Client and third party fees	283,778	118,241	138,012	19,771
Performance Based Incentive Program (PBIP)	-	-	-	-
Interest income	138,398	57,666	90,569	32,903
Other revenue	364,845	152,019	62,098	(89,921)
<b>Total revenue</b>	<b>99,403,280</b>	<b>41,418,034</b>	<b>37,953,559</b>	<b>(3,464,475)</b>
<b>Expenditures</b>				
Salaries and wages	32,935,119	13,722,966	11,078,550	(2,644,416)
Fringe benefits	11,089,790	4,620,746	6,179,598	1,558,852
Staff professional development	121,533	50,639	120,863	70,224
Contractual expense	36,696,994	15,290,414	20,182,627	4,892,213
Overhead expense	1,019,872	424,947	1,018,584	593,637
Supplies	851,406	354,753	146,694	(208,059)
Utilities	238,811	99,505	157,723	58,218
Insurance	342,207	142,586	-	(142,586)
Capital outlay	4,928	2,053	-	(2,053)
Other expenses	1,458,724	607,802	503,116	(104,686)
Transfers	-	-	116,466	116,466
<b>Total expenditures</b>	<b>84,759,384</b>	<b>35,316,411</b>	<b>39,504,221</b>	<b>4,187,810</b>
<b>Net change in fund balance</b>	<b>14,643,896</b>	<b>6,101,623</b>	<b>(1,550,662)</b>	<b>(7,652,285)</b>
Fund balance (deficit), beginning of year	(1,448,836)	(1,448,836)	(1,448,836)	-
<b>Fund balance (deficit), end of year</b>	<b>\$ 13,195,060</b>	<b>\$ 4,652,787</b>	<b>\$ (2,999,498)</b>	<b>\$ (7,652,285)</b>

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**

February 29, 2024

<b>ASSETS</b>	<b>THIS YEAR</b>	<b>LAST YEAR</b>
Cash in Bank	2,511,359.26	(4,815,268.53)
Imprest (Petty) Cash	2,700.00	2,700.00
Accounts Receivable	10,555.99	102,367.89
Due From Other Funds	2,481,755.36	2,918.85
Prepaid Items	474,461.50	387,210.44
Due from other governments	8,024,542.16	15,644,227.11
<b>Total Assets</b>	<b><u>\$ 13,505,374.27</u></b>	<b><u>\$ 11,324,155.76</u></b>
<b>LIABILITIES AND EQUITY</b>		
Accounts Payable	\$ 130,469.09	\$ 46,204.26
Undistributed Receipts	4,801.43	1,245.58
Medicaid Children's Waiver	-	40,601.57
Medicaid SED Waiver	-	(30,542.90)
Unearned Revenue - Lilac St Donation	-	50,100.00
<b>Total Liabilities and Equity</b>	<b><u>\$ 135,270.52</u></b>	<b><u>\$ 107,608.51</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deffered Medicaid fee for services and capitation	<u>\$ 7,348,752.52</u>	<u>\$ 20,119,747.21</u>
Fund Balance at beginning of year	(1,855,032.17)	(17,073,240.73)
Nonspendable FB-Prepays	406,196.22	
<b>**Total Fund Balance</b>	<b><u>\$ (1,448,835.95)</u></b>	<b><u>\$ (17,073,240.73)</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
	<b><u>\$ 6,035,187.09</u></b>	<b><u>\$ 3,154,114.99</u></b>
<b>NET OF REVENUES VS EXPENDITURES</b>		
	<b><u>\$ 7,470,187.18</u></b>	<b><u>\$ 8,170,040.77</u></b>
<b>Transferred to HealthWest LRE FY2019 Account for:</b>		
Due to Fund 2220 HealthWest (2221-0000-214.222)	\$2,479,928.03	\$0.00
Fund 2221 Fund Balance	\$2,242.12	\$0.00
<b>Transferred to County Equipment Revolving Account for:</b>		
Mental Health Center Building (6660-0000-349220)	\$2,550,953.97	\$2,617,553.62
Future Equipment Purchases (6660-0000-349222)	\$117,184.04	\$89,534.24

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

**February 29, 2024**

<b>ASSETS</b>	<b>THIS YEAR</b>	<b>LAST YEAR</b>
Cash	\$ 458,792.55	\$ 658,882.15
Imprest Cash	\$ 49,695.92	\$ 40,402.80
Accounts Receivable	\$ 177.00	\$ 177.00
<b>Total Assets</b>	<b><u>\$ 508,665.47</u></b>	<b><u>\$ 699,461.95</u></b>
 <b>LIABILITIES AND EQUITY</b>		
Due to Other Funds	\$ 1,438.90	\$ 2,837.73
Undistributed Receipts	\$ 507,226.57	\$ 696,624.22
	<b><u>\$ 508,665.47</u></b>	<b><u>\$ 699,461.95</u></b>



## MEMORANDUM

Date: April 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 April, HealthWest will bring the following motions to the County Commissioners for approval.

- Reclassify the Director of Community Relations, Position X30301 (Wage Grade HX 00432) to Compliance Manager (Wage Grade HX 00390, Funding 7120). Compliance is a significant role, which is currently the responsibility of the Director of Health Information Systems as well as other internal HW Managers. Compliance cases have increased significantly in the past couple of years. Job functions will include corporate compliance complaint investigations, setting corporate compliance standards and monitoring performance, and reporting to regulatory agencies, the LRE, and the HW Board of Directors. This position would be a lower wage grade than the Director of Community Relations, which is a range of \$43,351 - \$55,160. The new range for the Compliance Manager will be \$37,537 - \$47,729. This will save HealthWest \$18,435 annually.
- To change the status of the Child Psychiatrist position X14301 from full-time to part-time, 25-hour/week. The employee in this position has requested to reduce their scheduled hours from 40 to 25. Psychiatrists are difficult to recruit and HealthWest would like to grant this request rather than lose this employee. This will reduce costs for this position by \$156,864. We are significantly underspent on psychiatrists based on our budget and have vacant positions we may try to fill once an analysis of need is completed. This will not result in a pay grade or funding account change (current funding account is 7600).

### Main Office

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

**HealthWest**  
(a Fund of the County of Muskegon, Michigan)

**Financial Statements**  
September 30, 2023





## Independent Auditor's Report

To the Members of the Board  
HealthWest (a Fund of the County of Muskegon, Michigan)  
Muskegon, Michigan

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the major special revenue fund and the aggregate remaining fund information of HealthWest (the CMHSP) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the CMHSP's financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major special revenue fund and the aggregate remaining fund information of the CMHSP as of September 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the CMHSP and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Change in Accounting Principle**

As discussed in the notes to the financial statements, during 2023 the CMHSP adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the CMHSP's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery,

HealthWest (a Fund of the County of Muskegon, Michigan)  
 Balance Sheet - Special Revenue Fund  
 September 30, 2023

<b>Assets</b>		
Cash and cash equivalents - unrestricted	\$	5,627,905
Cash and cash equivalents - restricted		2,482,170
Accounts receivable		89,216
Due from other governments		10,698,666
Prepaid expenditures		607,018
<b>Total assets</b>	<b>2022:</b>	<b>\$27,362,852</b>
		<u>\$ 19,504,975</u>
<b>Liabilities</b>		
Accounts payable	\$	6,310,290
Accrued payroll and related liabilities		849,220
Due to other governmental units		6,241,639
Unearned revenue		846
<b>Total liabilities</b>	<b>2022:</b>	<b>\$24,064,242</b>
		<u>13,401,995</u>
<b>Deferred inflows of resources</b>		
Related to Medicaid cost settlement		7,348,753
<b>Total deferred inflows of resources</b>	<b>2022:</b>	<b>\$20,051,869</b>
		<u>7,348,753</u>
<b>Fund balances</b>		
Nonspendable		607,018
Restricted		2,482,170
Unassigned		(4,334,961)
<b>Total fund balances</b>	<b>2022:</b>	<b>(\$16,753,259)</b>
		<u>(1,245,773)</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$</b>	<b><u>19,504,975</u></b>

The notes to the financial statements are an integral part of this statement.

HealthWest (a Fund of the County of Muskegon, Michigan)  
Statement of Revenues, Expenditures and Changes in Fund Balance - Special Revenue Fund  
For the Year Ended September 30, 2023

<b>Revenues</b>		
Medicaid		\$ 97,618,069
Federal funding		7,205,859
State funding		2,399,612
Charges for services		688,259
Other revenues		190,194
<b>Total revenues</b>	2022: \$80,544,835	108,101,993
<b>Expenditures</b>		
Salaries		27,997,035
Fringe benefits		12,867,954
Capital outlay		1,165,987
Contracted services		39,657,335
Hospital		6,155,712
Indirect		1,295,607
Interest		73,330
Insurance costs		368,072
Lease and rent		1,248,272
Local match drawdown		232,932
Other		330,421
Professional		124,939
Repairs and maintenance		253,513
Supplies		287,660
Travel		491,554
Utilities		301,285
<b>Total expenditures</b>	2022: \$82,604,582	92,851,608
<b>Revenues over (under) expenditures</b>		15,250,385
<b>Other financing sources (uses)</b>		
Proceeds from issuance of lease obligation		831,498
Interest income		48,375
Transfers in from County		706,819
Transfers out to County		(1,329,591)
<b>Total other financing sources (uses)</b>	2022: (\$363,754)	257,101
<b>Net change in fund balances</b>		15,507,486
<b>Fund balance, beginning of year</b>		(16,753,259)
<b>Fund balance, end of year</b>		\$ (1,245,773)

The notes to the financial statements are an integral part of this statement.

HealthWest (a Fund of the County of Muskegon, Michigan)  
Notes to the Financial Statements  
September 30, 2023

- Obligations of the State of Michigan and its political subdivisions that, at the time of purchase are rated as investment grade by at least one standard rating service.
- Mutual funds registered under the Investments Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- External investment pools as authorized by Public Act 20 as amended through December 31, 1997.

**Cash and Cash Equivalents - Restricted**

The CMHSP has restricted 20% of the amounts received in the current year related to prior year settlements with the PIHP pursuant to an agreement with the PIHP. These amounts are restricted until May 24, 2024.

**Custodial credit risk**

In the case of deposits, this is the risk that, in the event of a bank's failure, the CMHSP's deposits may not be returned to it. Deposits of the CMHSP held by Muskegon County may be covered partially by federal depository insurance. The amount of federal depository insurance is determined for the County as a whole but cannot be separately identified for the CMHSP.

**NOTE 3 – ACCOUNTS RECEIVABLE**

The CMHSP believes that the accounts receivable will be collected in full and therefore the receivable balance has not been offset by an allowance for doubtful accounts.

**NOTE 4 - DUE FROM OTHER GOVERNMENTAL UNITS**

Due from other governmental units as of September 30<sup>th</sup> consists of the following:

Description	Amount
Lakeshore Regional Entity	9,811,745
State of Michigan	751,298
Other governmental units	135,623
Total	10,698,666

**NOTE 5 - DUE TO OTHER GOVERNMENTAL UNITS**

Due to other governmental units as of September 30<sup>th</sup> consists of the following:

Description	Amount
Lakeshore Regional Entity	5,960,016
State of Michigan	281,623
Total	6,241,639

**NOTE 6 – DEFERRED INFLOWS OF RESOURCES RELATED TO MEDICAID COST SETTLEMENT**

The amount reported as deferred inflows of resources related to Medicaid cost settlement with the regional entity consists of the following:

Description	Amount
Cost settlement – FY 2022	7,340,535
Other	8,218
Total	7,348,753

actuarial valuation has not been completed. The actuarial data is included in Muskegon County's valuation. Additionally, the funded status of the CMHSP has not been recorded because a separate actuarial valuation of the CMHSP has not been completed.

### **Defined Contribution OPEB Plan**

#### Plan Description

The CMHSP offers employees a defined contribution OPEB plan (Health Care Savings Program) through the County of Muskegon. The assets of the plan were held in trust for the exclusive benefit of the participants (employees) and their beneficiaries. MERS acts as the custodian for the plan and holds the custodial account for the beneficiaries of this plan.

The assets may not be diverted to any other use. MERS are agents of the employer for purposes of providing direction to the custodian of the custodial account from time to time for the investment of the funds held in the account, transfer of assets to or from the account and all other matters. Plan balances and activities are not reflected in the CMHSP's financial statements.

The plan provisions and contribution amounts were established by the County Board and may be amended by the County Board.

#### Contribution Rates or Amounts

The CMHSP contributes 3.0% of each participant's base salary to the plan.

#### Benefit Terms

Employees are 100% vested immediately in the employee's contributions. Employees become vested in the CMHSP's contribution over a six-year period.

#### Contribution Amounts

For the year ended September 30<sup>th</sup>, employer contributions (reduced by \$153,141 in forfeitures) amounted to \$740,164. Employee contributions amounted to \$0. The outstanding liability to the plan at year-end was \$18,452.

#### Forfeiture Amounts

Nonvested employer contributions are forfeited upon termination of employment. Such forfeitures are used to cover future employer contributions, be directed to the employer's Retiree Health Funding Vehicle, (if applicable) or be equally distributed among all remaining active participants in the plan. At the end of September 30, 2023, forfeitures reduced the employer's defined contribution OPEB expense.

### **NOTE 8 - RISK MANAGEMENT**

The CMHSP is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (worker's compensation), as well as medical benefits provided to employees. The CMHSP has purchased commercial insurance from independent insurance providers. Settled claims for the commercial insurance have not exceeded the amount of coverage in any of the past three years. There was no reduction in coverage obtained through commercial insurance during the past year.

### **NOTE 9 - CHANGE IN ACCOUNTING PRINCIPLE**

For the year ended September 30, 2023, the CMHSP implemented the following new pronouncement: GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-based Information Technology Arrangements*, was issued by the GASB in May 2020. The objective of this Statement is to increase the usefulness of governments' financial statements by requiring recognition of certain subscription-based information technology arrangement (SBITA) assets and liabilities that previously were classified as operating expenses and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for subscription-based information technology arrangement accounting based on the foundational principle that SBITAs are financings of the right to use the underlying asset. Under this Statement, a government is required to recognize a SBITA liability and an intangible right-to-use SBITA asset, thereby enhancing the relevance and consistency of information about governments' SBITA activities.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term obligations in the financial statements of the County.

**NOTE 10 – CONTINGENT LIABILITIES**

Under the terms of various federal and state grants and regulatory requirements, the CMHSP is subject to periodic audits of its agreements, as well as a cost settlement process under the full management contract with the regional entity and the State. Such audits could lead to questioned costs and/or requests for reimbursement to the grantor or regulatory agencies. Cost settlement adjustments, if any, as a result of compliance audits are recorded in the year that the settlement is finalized. The amount of expenses which may be disallowed, if any, cannot be determined at this time, although the CMHSP expects such amounts, if any, to be immaterial.

The CMHSP is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the CMHSP's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the CMHSP.

**NOTE 11 – ECONOMIC DEPENDENCE**

The CMHSP receives over 80% of its revenues from the State of Michigan either directly from MDHHS or indirectly through the CMHSP's regional entity.

**NOTE 12 – TRANSFERS**

The transfer in of \$706,819 represents an appropriation provided by the County as a local match for various services.

The transfer out of \$1,329,591 represents the transfer of funds to the County for the CMHSP's portion of pension bond costs.

**NOTE 13 – DEFICIT FUND BALANCE**

As of year-end, the CMHSP is in a deficit fund balance of \$1,245,773, which is the result of the timing of cash receipts related to certain revenues due from Lakeshore Regional Entity. Future collection of these amounts are expected to eliminate the fund deficit.

**NOTE 14 - UPCOMING ACCOUNTING PRONOUNCEMENTS**

**GASB Statement No. 100, *Accounting Changes and Error Corrections***, was issued by the GASB in June 2022 and will be effective for the CMHSP's fiscal year September 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement prescribes the accounting and financial reporting for 1) each type of accounting change and 2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period.

**GASB Statement No. 101, *Compensated Absences***, was issued by the GASB in June 2022 and will be effective for the CMHSP's fiscal year September 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

HealthWest (a Fund of the County of Muskegon, Michigan)  
Notes to the Financial Statements  
September 30, 2023

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This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee’s pay rate as of the date of the financial statements.



**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of Financial Statements Performed in Accordance with  
Government Auditing Standards**

To the Members of the Board  
HealthWest (a Fund of the County of Muskegon, Michigan)  
Muskegon, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major special revenue fund and the aggregate remaining fund information of HealthWest (the CMHSP), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the CMHSP's financial statements and have issued our report thereon dated March 20, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the CMHSP's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the CMHSP's internal control. Accordingly, we do not express an opinion on the effectiveness of the CMHSP's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the CMHSP's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sincerely,

*Roslund, Prestage & Company, P.C.*

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

March 20, 2024



## Communication with Those Charged with Governance at the Conclusion of the Audit

To the Members of the Board  
HealthWest (a Fund of the County of Muskegon, Michigan)  
Muskegon, Michigan

We have audited 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 information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you during planning. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Matters

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the CMHSP are described in the notes to the financial statements. The CMHSP changed accounting policies related to subscription-based information technology arrangements by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 96 *Subscription-Based Information Technology Arrangements*. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the Note 9 - Change In Accounting Principle. We noted no transactions entered into by the CMHSP during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the CMHSP's financial statements were:

Management's estimated incremental borrowing rate used to discount future lease payments under GASB 87 and GASB 96 is based on the entity's current borrowing rate. We evaluated the key factors and assumptions used to develop the estimated intrinsic borrowing rate in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the CMHSP's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the CMHSP's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**Other Matters**

We applied certain limited procedures to management's discussion and analysis and the budgetary comparison schedule, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

**Restriction on Use**

This information is intended solely for the information and use of the Board 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

<b>COMMITTEE</b> Finance Committee	<b>BUDGETED</b> X	<b>NON BUDGETED</b>	<b>PARTIALLY BUDGETED</b>
<b>REQUESTING DIVISION</b> Provider Network Management	<b>REQUEST DATE</b> April 19, 2024	<b>REQUESTOR SIGNATURE</b> Shannon Morgan, Contract Specialist	
<b><u>SUMMARY OF REQUEST (GENERAL DESCRIPTION, FINANCING, OTHER OPERATIONAL IMPACT, POSSIBLE ALTERNATIVES)</u></b>			
<p>HealthWest Board authorization is requested to approve a \$12,739.40 increase to the contract for <b>Relias Learning</b>, located at 111 Corning Road Suite 250, Cary, NC 27518. This increase is due to additional Training Seats, from 500 to 600.</p> <p>These additional seats will be purchased in bundles of 10 or 20 throughout the year as needed.</p> <p>Contract Term is through 12/31/2025.</p> <p>The total projected expenditure will not exceed \$79,131.00.</p>			
<b><u>SUGGESTED MOTION (STATE EXACTLY AS IT SHOULD APPEAR IN THE MINUTES)</u></b>			
<p>I move to authorize the HealthWest Executive Director to sign the amendment to the contract with <b>Relias Learning</b> to purchase 100 additional Training Seats, increasing the total expenditure to \$79,131.00.</p>			
<b>COMMITTEE DATE</b> April 19, 2024	<b>COMMITTEE APPROVAL</b> _____ Yes    _____ No    _____ Other		
<b>BOARD DATE</b> April 26, 2024	<b>BOARD APPROVAL</b> _____ Yes    _____ No    _____ Other		

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