



## **Detroit Wayne Integrated Health Network**

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**Finance Committee Meeting  
Hotel St. Regis  
3071 W. Grand Blvd.  
Detroit, MI 48202  
Wednesday, July 5, 2023  
1:00 p.m.  
**AGENDA****

- I. Call to Order**
- II. Roll Call**
- III. Committee Member Remarks**
- IV. Approval of Agenda**
- V. Follow-Up Items**
- VI. Approval of Minutes – May 15, 2023 & June 20, 2023**
- VII. Presentation of the Monthly Finance Report**
- VIII. FY24 Budget Highlights**
- IX. Unfinished Business:**  
Staff Recommendations:  
a. Board Action #23-05 R6 – DWIHN FY23 Operating Budget
- X. New Business:**  
Staff Recommendations: None
- XI. Good and Welfare/Public Comment**  
Members of the public are welcome to address the Board during this time for no more than two minutes. (The Board Liaison will notify the Chair when the time limit has been met.) Individuals are encouraged to identify themselves and fill out a comment card to leave with the Board liaison; however, those individuals that do not want to identify themselves may still address the Board. Issues raised during Good and Welfare/Public Comment that are of concern to the general public and may initiate an inquiry and follow-up will be responded to and may be posted to the website. Feedback will be posted within a reasonable timeframe (information that is HIPAA related or of a confidential nature will not be posted but rather responded to on an individual basis).
- XII. Adjournment**

**Board of Directors**

Kenya Ruth, Chairperson  
Karima Bentounsi  
Angelo Glenn

Dr. Cynthia Tauog, Vice Chairperson  
Angela Bullock  
Jonathan C. Kinloch

Dora Brown, Treasurer  
Lynne F. Carter, MD  
Kevin McNamara

William Phillips, Secretary  
Eva Garza Dewaelsche  
Bernard Parker

Eric W. Doch, President and CEO



# FINANCE COMMITTEE

MINUTES

MAY 15, 2023

2:00 P.M.

3071 W. GRAND BLVD.  
DETROIT, MI 48202  
(HYBRID/ZOOM)

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<b>MEETING CALLED BY</b>	I. Ms. Dora Brown, Chair, called the meeting to order at 2:15 p.m.
<b>TYPE OF MEETING</b>	Finance Committee Meeting
<b>FACILITATOR</b>	Ms. Dora Brown, Chair
<b>NOTE TAKER</b>	Nicole Smith, Finance Management Assistant
<b>ATTENDEES</b>	<p><b>Finance Committee Members Present:</b> Ms. Dora Brown, Chair Ms. Karima Bentounsi Mr. Angelo Glenn</p> <p><b>Committee Members Excused:</b> Mr. Kevin McNamara, Vice Chair</p> <p><b>Committee Members attending Virtually:</b> Ms. Eva Garza Dewaelsche</p> <p><b>Board Members Present:</b> Ms. Kenya Ruth, Board Chair</p> <p><b>Board Members Excused:</b> None</p> <p><b>Staff:</b> Ms. Stacie Durant, VP of Finance; Mr. Manny Singla, Executive VP of Operations; Ms. Monifa Gray, Associate VP of Legal Affairs; Ms. Sheree Jackson, VP of Compliance; Ms. Brooke Blackwell, VP of Governmental Affairs and Chief of Staff; Ms. Tiffany Devon, Director of Communications; and Ms. Jean Mira, Administrator of Procurement</p> <p><b>Staff Attending Virtually:</b> Mr. Jody Connally, VP of Human Resources; Ms. Yolanda Turner, VP of Legal Affairs</p> <p><b>Guests:</b> Alisha Watkins, Partner, and Tyler Luce, Manager, Plante Moran</p>
<b>AGENDA TOPICS</b>	
<b>I. Roll Call</b>	Ms. Lillian Blackshire, Board Liaison
<b>II. Roll Call</b>	Roll Call was taken by Ms. Lillian M. Blackshire, Board Liaison and a quorum was present.
<b>III. Committee Member Remarks</b>	Ms. Brown, Chair called for Committee member remarks. There were no committee remarks.

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#### **IV. Approval of Agenda**

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

#### **V. Follow-up Items:**

There were no follow-up items reported.

#### **VI. Approval of the Meeting Minutes**

The Chair called for a motion on the Finance Committee minutes from the meeting of Wednesday, March 1, 2023. **Motion:** It was moved by Mr. Glenn and supported by Ms. Bentounsi approval of the Finance Committee minutes from the meeting of Wednesday, March 1, 2023. There were no corrections to the minutes. **Motion carried.** Minutes accepted as presented.

#### **VII. Presentation of FY22 Financial Statement, Single Audit and Compliance Examination Reports**

Stacie Durant, CFO acknowledged the Finance Team and noted that Ms. Toni Jones, Manager of Audit and Provider of Fiscal Oversight and Ms. Dhannetta Brown, Deputy CFO were instrumental for completion of the FY22 Audit.

The FY22 Audit was presented by Plante Moran staff lead Ms. Alisha Watkins, and Mr. Tyler Luce. An overview of the audit was provided to the committee. VP of Finance, Ms. Durant provided an overview of the AU260 Letter and noted this was a communication to the Finance Committee which is charged with Governance. The Financial Report is the Financial Statement on the audit and is a requirement with the State of Michigan Department of Treasury; the Compliance Examination is the report required by the Michigan Department of Health and Human Service in accordance with the PIHP and CMHA contracts and the last report that will be reviewed is the Federal Award Supplemental Information which is referred to as the Single Audit which is required by the Federal Government. Ms. Watkins gave kudos to the team for their hard work and noted that DWIHN hit the one-billion-dollar mark in revenue this year which was tremendous.

Ms. Alisha Watkins from Plante Moran presented along with Mr. Tyler Luce the FY22 AU260 letter; the Financial Report; the Federal Awards Supplemental Information and the Compliance Examination. Written documents of each audit report were presented to each committee member and provided in the Finance Committee agenda packet.

Financial Report with Supplemental Information- Highlights of the report was provided. It was reported that page 8 was the report letter. DWIHN was issued an unmodified opinion and that is the highest level of assurance that they are able issue as auditors; it means that everything is in material respects in accordance with generally accepted accounting principles (GAAP). The letter also highlights our responsibilities as management which include the preparation and presentation of the financial statements ensuring all accounting is in accordance with GAAP as well as maintaining and implementing internal controls. It was noted the Management discussion and analysis was on pages 12 through 18 and is a high-level summary of different transactions that took place. The Statement of Net Position on page 19 was highlighted; this represents the balance sheet and a comparison was provided as to DWIHN's position compared to last year's position, it was noted there was an increase of \$36.8 million dollars which did not include the restricted cash line and that is really favorable and was attributed to the concerted efforts by management. An overview

was provided on page 20 which noted the operating income; the amount collateralized amounts for the construction loans which are set aside for the administrative building and the new Care Center; the capital assets; restricted cash; assets not subject to depreciation; long term debt under the liability section; and the total operating revenue increase which primarily this year would be due to the increase in the Medicaid rate from the State of Michigan. It was noted the operating expense costs actually went up from last year which was due to the overall provider costs actually increasing due to a 10% increase in fee service codes provided as well as an increase in utilization and services as we rebound from COVID-19. It was reported there was investment loss which was noted as an investment paper loss because assets have to be valued at market value on September 30th. It was noted that the monies are still in the investment account and hopefully the market will rebound.

The Statement of Revenue, Expenses and Changes in Net Position was highlighted. It was noted we received money from a variety of sources, but the increase was primarily due to an increase in the Medicaid rate. The Notes to Financial Statements page 29 was highlighted. It was noted that there was an increase this year of \$6.4 million dollars relative to construction projects, the Care Center and the Administration building; there was a note that referred to the construction commitments and is part of the standards required and disclosure is relative to any remaining commitments at year end. An overview was provided on the Long-Term debt; it was noted that in December 2022 both of the notes payable were actually paid off in their entirety and the footnote discloses what those amounts are for, and what the actual debt proceeds are going to be used for, there is no outstanding debt because there are no draws as of September 30, 2022; the balance sheet shows no amount relative to these new projects outstanding as of year-end. A highlight was provided of page 33 – Other Supplemental Information which provided information of budget to actual, it was noted that we budgeted and allocated resources overall very positively; total operating revenue actually came in at just over one billion dollars and that was an increase to budget of roughly \$36.3 million dollars which was fantastic news. There were some operating expense line items that had some unfavorable differences as compared to budget which were chalked up to increase utilization beyond what could have been predicted in terms of coming back from COVID-19 as people are becoming more able to be out and are able to use resources that are available to them as well as the additional financial stability payments to certain providers which would have also been included in some of those amounts which the bottom line is a \$24 and a half million dollar increase in that position. It was noted that revenue was significantly more than anticipated; however, the expense side was still managed and there are still threats out there that have to be managed; we have got people that need to be served; we have to keep the providers having people employed and serving the population that needs to be taken care of; so it really feels like a healthy balance of putting money back into the organization, but also making sure we are restoring and maintaining the working capital and that is the savings that is important - DWIHN had a really strong year.

Federal Awards Supplemental Information – An overview was provided of the Federal Awards Supplemental information; it was noted this is the report issued for the Federal Awards audit. The Schedule of Expenditures of Federal Awards was highlighted on page 7 and it was noted that this page shows all of the Federal dollars that were spent by the organization during the year; for FY22 it was \$24 million dollars of federal grants that were expended; the page is laid out by Department or the Grant or who issues them and the different types of programs that are covered are very broad and very significant. The Schedule of Findings and Questioned Costs on page 10 was highlighted. There were two additional programs that needed to be audited; Ms. Durant noted that a board action had been brought forth to increase their fees because when they initially responded to the RFP it only contemplated two major programs, so as we get more Federal programs it increases

the scope; if there are other Federal Programs and funding that we receive it will go up as well. Discussion ensued regarding the Women's Specialty Program and human trafficking. Ms. Ruth requested the name of the Human Trafficking program from SUD. The Summary of the Auditor's Results was presented; it was reported there was a material weakness identified; there were no significant deficiencies identified that are considered to be material weaknesses and no compliance matters related to the financial statement audit. There were four (4) major programs that were audited and unmodified opinions were given for all four and they did test the programs at length. It was also reported that DWIHN did not qualify as a low risk which is because of the finding last year related to HUD which is really a State of Michigan Finding which is how the rules work. Page 11 is the finding which is the one exception on the financial Statement Audit and was not identified by Plante Moran, but was identified and corrected by the DWIHN management team. The Finding type was noted as a Material Weakness. An overview was provided that noted that DWIHN corrected a prior error as it thought it owed money to a particular ICO in the past; the funds were brought into revenue for fiscal year 22 the year that we audited and the position to do that was supported by Plante Moran which felt that the change in position is supportable, but that change in position also meant the prior positions were not correct and the rules state that it is an internal control issue in prior years as we are correcting a prior error; where the team landed is very favorable for the organization and we are able to keep the money in the bank account and book the revenue. VP of Finance, Durant gave an overview of the money that was thought to be owed and noted that after consultation with both their attorneys and our attorneys it was concluded that within the four walls of the contract that we did not owe the money and were able to retain the dollars. There were no further questions on the Federal Awards.

Compliance Examination – There was no findings, issues or internal control matters to report in the Compliance Examination. It was noted that page 31 was the Summary of Accountant's Results and it indicates the type of accountants' report issued on compliance was Unmodified.

The final document highlighted was the letter that was required to be issued to the governing body following every audit that is conducted. It was explained that the correction was also noted in the letter as it was a separate legal document and one of the required reporting areas is if a transaction from a prior year was corrected in the current year the Auditors have to include that; which is why it shows up in the letter. The Corrected and Uncorrected Misstatements were discussed which noted that during the audit procedures they identified corrections that were required to be made to the financial statements related to certain accrued liabilities being under reported by approximately \$2.6 million as of September 30, 2022. The first was a \$1.2 million adjustment to increase cash and increase accrued wage liabilities for retention payments made in December 2022. The second was a \$1.4 million adjustment to increase salaries and wages expense and increase accrued wage liabilities for amounts paid to employees subsequent to year end for dates worked during the fiscal year ended September 30, 2022; these items are important to identify but did not rise to the level of being a finding or an internal control efficiency. Ms. Watkins noted the level of information that was provided to them us allowed Plante Moran to complete the audit and secondly Ms. Durant and her team have done it again on managing these finances; a job well done was extended to Ms. Durant who was thanked for her hard work. Ms. Ruth, Board Chair thanked Ms. Watkins and her team for accommodating her work schedule and noted to Ms. Durant that a good job reflects leadership and thank you for a good report. The Chair called for a motion on the FY22 Financial Statement, Single Audit and Compliance Examination Reports and the AU260 Letter. **Motion:** It was moved by Ms. Ruth and supported by Mr. Glenn

to move the FY22 Financial Statement, Single Audit and Compliance Examination Reports to Full Board for approval. There was no further discussion. **Motion carried.**

### **VIII. Presentation of the Monthly Finance Report**

S. Durant, CFO presented the Monthly Finance report. Ms. Durant noted that there were no noteworthy items to report as the three annual audit reports had been presented by Plante Moran. A written report for the three months ended March 31, 2023 was provided for the record.

Cash and Investments – comprise of funds held by three (3) investment manager, First Independence CDARS, Comerica, and Flagstar accounts. This amount includes the \$21.3 million cash held in collateral for the two building loans.

Due from other governments – comprise various local, state and federal amounts due to DWIHN. Approximately \$6.7 million in SUD and MH block grant due from MDHHS. Approximately \$8.7 million for the 2nd quarter pass through HRA revenue. Approximately \$5.8 million for PIBP for FY22. Approximately \$2.9 million due from MDHHS related to FY22 CCBHC cost settlement.

Accounts receivable/Allowance - Accounts receivable consist of \$2.1 million in cost settlement due from the fiscal intermediaries related to FY22. In addition, approximately \$2.4 million due from Wayne County estimated 2nd Quarter PA2 and \$700,000 in actual Quarter 1 PA2. Finally, Team Wellness \$1.1 million related to prior year receivable outstanding. DWIHN recorded \$.5 million in an allowance for two SUD providers due to length of amount owed and likelihood of collections.

Prepayments and deposits – DWIHN provided The Children’s Center an early provider stability payment totaling \$3.5 million. TCC expressed concerns regarding its ability to meet cash flow needs.

IBNR Payable – represents incurred but not reported (IBNR) claims from the provider network; historical average claims incurred through March 31, 2023, including DCW hazard pay, 10% rate increase and \$1.00/hr. DCW wage increase, was approximately \$399.8 million however actual payments were approximately \$336 million. The difference represents claims incurred but not reported and paid of \$63.8 million.

Due to other governments – includes \$8 million due to MDHHS for death recoupment; \$1.8 million due to MDHHS for FY20 general fund carryover in excess of 5%; and \$8.5 million related to FY22 DCW hazard pay cost settlement. In addition, there is approximately \$4.1 million due to MDHHS for state hospitals and IPA tax payment.

Federal grants and contracts– The \$5.2 million variance is primary due to timing of several SUD grants and a year-end reclassification entry to move 18% of revenue to state grants. In addition, approximately \$2.2 million relates to the mobile crisis grant whereby DWIHN has not incurred any expenses to date.

SUD, Children and IDD services - \$22 million variance to timing and reduction in expenses. DWIHN anticipates providing stability payments in October/November 2023.

There was no discussion on the above items. The Chair, Ms. Brown noted the Finance Monthly Report ending March 31, 2023 was received and filed.

**IX. FY 23 2<sup>nd</sup> Quarter Board Report for Procurement Non-Competitive under \$50,000K and all Cooperative Purchasing**

The 2nd Quarter Procurement Report was presented by Ms. Jean Mira, Procurement Administrator. The written report was provided to the Finance Committee and was included in the agenda packet for informational purposes. Noteworthy information includes purchasing percentages: Contract Percentage for Wayne County is 26.47% and Out of County is 73.53%; Funding Percentage w/o IT for Wayne County is 55.27% and Out of County is 44.73%. Amounts include Total under 50K or Cooperative purchasing is \$640,493.53 Wayne County is \$169,510.00, IT totals is \$333,795.79. There was no further discussion. The FY23 2nd Quarter Procurement Report was received and filed.

**X. Unfinished Business – Staff Recommendations:**

**a. Board Action #23-05 (Revision4) – DWIHN FY 2022-2023 Operating Budget** Ms. Durant, VP of Finance reported. DWIHN is requesting the following amendments:

De-certification of \$200,000 - Federal grant revenue --MD HHS Amendment #3 to reduce the Residential Gambling program by 50%.

Certification of \$100,000 Federal Grant revenue per the MD HHS approval to use FY22 unspent American Rescue Plan Act (ARPA) dollars to fund the cost of staff (Salary/Fringes @\$90,909; Indirect costs @\$9,901) to assist with the Post-Partum Women’s Pilot and GPRA Programs.

Board approval is also requested for the use of Medicaid Reserve dollars of \$573,380 to fund:

One (1) Assisted Outpatient Treatment (AOT) Case Manager position -- in conjunction with BHU -- to better coordinate hospital discharges and follow-up. The estimated cost of \$84,000 funds the annual salary and fringe benefit cost of \$60,000 and \$24,000 respectively.

Four (4) Masters level Residential Specialists for Residential Services to address the increase in workload through new initiatives and the gap in capacity to do annual assessments. The estimated cost of \$434,380 funds the annual salary and fringe benefit costs of \$310,272 and \$124,108, respectively.

Digital Media Campaign, \$55,000, which utilizes social media influencers to bring an awareness to youth about DWIHN and the services available to youth and community.

The revised FY23 Operating Budget of \$1,031,526,410 consists of the following revenue: \$21,630,181 (State General Funds, CCBHC General Funds); \$798,256,944 (Medicaid, DHS Incentive, Medicaid-Autism; Children's/SED Waiver, HAB); \$9,886,123 (MI Health Link); \$140,914,218 (Healthy MI-Mental Health and Substance Abuse); \$17,686.447 (Wayne County Local Match Funds); \$4,040,539 (PA2 Funds); \$7,294,100 (State Grant Portion of OBRA, SUD); \$31,036,858 (Federal Grants/Federal Block Grants); \$241,000 (Local Grant Revenue); \$500,000 (Interest Income); and \$40,000 (Misc. Revenue).124,108, respectively. The Chair called for a motion. **Motion:** It was moved by Mr. Glenn and supported by Ms. Ruth approval of BA #23-05 (Revision4) to Full Board. Discussion ensued regarding the Post-Partum Women’s Pilot for Substance Use Disorder; the posting of the position; salary and fringes and that the posted position noted that the position was available based on the availability of funding. **Motion carried.**

**XI. New Business – Staff Recommendations:**

**a. Board Action #23-63 – DWIHN Community Outreach** Ms. Tiffany Devon, Director of Communications reported. The Communications Department is requesting funding in the amount of \$155,000 for additional community outreach, sponsorships and costs associated with contracting with several social media influencers. As the organization expands and grows, so too do the obligations of the Communications department. There are many more ways of reaching our audiences and one of them is through paying social media influencers to share mental health and substance use disorder messaging. There have been double the amount of sponsorship requests this year which also means the department has to purchase additional community outreach supplies to keep up with the demand of the requests. The Chair called for a motion. **Motion:** It was moved by Mr. Glenn and supported by Ms. Bentounsi approval of

Board action #23-63 to Full board for approval. Discussion ensued regarding the amount that would be used for influencers; the amount of money that was included in the previous budget adjustment that was identified for media; the specific influencers that were being identified and utilized and if these influencers would be used on the campaign of giving mental health a swag and primarily geared toward student athletes as this was a part of the CEO Objectives; the group that the social media would be targeted towards; how the Capital Brand and the Youth Choir fit into the athlete campaign; youth athletes that we have attempted to contract with, but they were not interested in participating with DWIHN; advocacy of children; professional level athletes; contacting particular athletes that are willing to work with DWIHN and being an Ambassador and DWIHN working with those individuals; cost associated with ambassador contracts; the group that was previously hired to do social media for DWIHN; conversations regarding Mr. Kemp; and utilizing Mr. Smooth who has a relationship with all of the high schools. Ms. Ruth requested the Board action be tabled as she had further discussion and there seemed to be more communications. The Chair, Ms. Brown noted that there was motion on the floor. Ms. Devon noted the dollars attached to the board action are for more than just the student athlete campaign and includes other outreach items such as the NAMI Summer Conference and other additional operational items that we have as outreach for the remainder of the summer; we are also in the midst of mental health awareness month. The Chair called for the vote. Motion carried with Ms. Bentounsi, Mr. Glenn, and Ms. Brown voting Yay; and Ms. Ruth voting Nay. There were no abstentions. **Motion carried.**

**XII. Good and Welfare/Public Comment** – The Chair read the Good and Welfare/Public Comment statement. There were no members of the public addressing the committee. Mr. Glenn, Board member recognized Ms. Tiffany Devon, Director of Communications for being recognized in Crain’s Magazine and Mr. Doeh and Mr. Phillips as being recognized and receiving the Michigan Chronicle Men of Excellence award. The event will take place on June 30<sup>th</sup> 2023. Congratulations were expressed to all.

**XIII. Adjournment** – There being no further business; The Chair, Ms. Brown called for a motion to adjourn. **Motion:** It was moved by Mr. Glenn and supported by Ms. Ruth to adjourn the meeting. **Motion carried.** The meeting adjourned at 3:22 p.m.

**FOLLOW-UP  
ITEMS**

a. DWIHN to investigate securing an Ambassador/Social Influencer to assist DWIHN with Social Media messaging in the community. -Search ongoing



# FINANCE COMMITTEE

MINUTES

JUNE 20, 2023

2:00 P.M.

3071 W. GRAND BLVD.  
DETROIT, MI 48202  
(HYBRID/ZOOM)

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<b>MEETING CALLED BY</b>	I. Ms. Dora Brown, Chair, called the meeting to order at 2:10 p.m.
<b>TYPE OF MEETING</b>	Finance Committee Meeting
<b>FACILITATOR</b>	Ms. Dora Brown, Chair
<b>NOTE TAKER</b>	Nicole Smith, Finance Management Assistant
<b>ATTENDEES</b>	<p><b>Finance Committee Members Present:</b> Ms. Dora Brown, Chair Mr. Kevin McNamara, Vice Chair Ms. Eva Garza Dewaelsche Mr. Angelo Glenn</p> <p><b>Committee Members Excused:</b> Ms. Karima Bentounsi</p> <p><b>Board Members Present:</b> Ms. Kenya Ruth</p> <p><b>Board Members Excused: None</b></p> <p><b>Staff:</b> Ms. Stacie Durant, Vice President of Finance; Mr. Manny Singla, Executive Vice President of Operations; Ms. Monifa Gray, Associate Vice President of Legal Affairs; Sheree Jackson, Vice President of Compliance; Ms. Brooke Blackwell, Vice President of Governmental Affairs and Chief of Staff; Mike Maskey, Facilities Director</p> <p><b>Staff Attending Virtually:</b> Jody Connally, Vice President of Human Resources; and Ms. Yolanda Turner, Vice President of Legal Affairs</p> <p><b>Guests:</b> Mr. Thomas Adams, SUD Oversight Policy Board Chair</p>

## AGENDA TOPICS

I. **Roll Call** Ms. Lillian Blackshire, Board Liaison

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### II. Roll Call

Roll Call was taken by Ms. Lillian M. Blackshire, Board Liaison and a quorum was present.

### III. Committee Member Remarks

Ms. Brown, Chair called for Committee member remarks. Ms. Ruth acknowledged Ms. Stacie Durant, Vice President of Finance and Ms. Dhannetta Brown, Deputy Chief Financial Officer for Network's books balanced. She also acknowledged that women are playing an instrumental role at DWIHN are on the leadership staff; DWIHN Committees and Board of

Directors. She would like to bring in young ladies and gentlemen to the meetings to observe women in these positions and in action. There were no other remarks.

**IV. Approval of Agenda:**

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

**V. Follow-up Items:**

There were no follow-up items reported.

**VI. Approval of the Meeting Minutes:**

The Chair called for a motion on the Finance Committee minutes from the meeting on Monday, May 15, 2023. The approval of the minutes was deferred until the scheduled Finance Committee Meeting on July 5, 2023. **Motion:** It was moved by Mr. Glenn and supported by Ms. Ruth to defer meeting minutes from Monday, May 15, 2023 to the Finance Committee meeting of July 5, 2023. **Motion carried.**

**VII. Presentation of the Monthly Finance Report**

S. Durant, CFO presented the Monthly Finance report. A written report for the three months ended April 30, 2023 was provided for the record. Network Finance accomplishments and noteworthy items were as follows:

Effective March 29, 2023, the formula for PA2 distributions to the PIHP is 40% of liquor tax compared to 50%. However, the legislation states the amount cannot be less than September 30, 2022, which was \$4,723,521. County/PIHP revenue will increase due to resetting formula. Amount of increase is undetermined until payments for FY23 are received. Discussion ensued regarding the change in the formula.

Finance will be expanding our investments to Huntington Bank. Huntington Bank will invest in accordance with the Board approved investment policy. Discussion ensued regarding the current investments.

Consistent with prior years, Finance will be reviewing early stability payments to skilled building and supported employment providers.

Cash and Investments – comprise of funds held by three (3) investment manager, First Independence CDARS, Comerica, and Flagstar accounts. This amount includes the \$21.3 million cash held in collateral for the two building loans.

Due from other governments – comprise various local, state and federal amounts due to DWIHN. Approximately \$8.0 million in SUD and MH block grant due from MDHHS. Approximately \$11.6 million for the 2nd quarter and April pass through HRA revenue. Approximately \$2.9 million due from MDHHS related to FY22 CCBHC cost settlement.

Accounts receivable/Allowance - Accounts receivable consist of \$2.1 million in cost settlement due from the fiscal intermediaries related to FY22. In addition, approximately \$2.1 million due from Wayne County 2nd Quarter PA2, \$700,000 in actual Quarter 1 PA2 and \$1.4 million due from the County for the April local match payment. Finally, Team Wellness \$1.0 million related to prior year receivable outstanding. DWIHN recorded \$.5 million in an allowance for two SUD providers due to length of amount owed and likelihood of collections.

Prepayments and deposits – DWIHN provided The Children’s Center an early provider stability payment totaling \$3.5 million. TCC expressed concerns regarding its ability to meet cash flow needs.

IBNR Payable – represents incurred but not reported (IBNR) claims from the provider network; historical average claims incurred through April 30, 2023, including DCW hazard pay, 10% rate increase and \$1.00/hr. DCW wage increase, was approximately \$469.5 million however actual payments were approximately \$410.4 million. The difference represents claims incurred but not reported and paid of \$59.1 million.

Due to other governments – includes \$8 million due to MDHHS for death recoupment; \$1.8 million due to MDHHS for FY20 general fund carryover in excess of 5%; and \$8.5 million related to FY22 DCW hazard pay cost settlement. In addition, there is approximately \$2.2 million due to MDHHS for state hospitals and IPA tax payment.

Federal grants and contracts– The \$5.0 million variance is primary due to timing of several SUD grants and a year-end reclassification entry to move 18% of revenue to state grants. In addition, approximately \$2.6 million relates to the mobile crisis grant whereby DWIHN has not incurred any expenses to date.

SUD, Children and IDD services - \$26.6 million variance to timing and reduction in expenses. DWIHN anticipates providing stability payments in October/November 2023.

There was no further discussion. The Chair, Ms. Brown noted the Finance Monthly Report ending April 30, 2022 was received and filed.

**VIII. Unfinished Business – Staff Recommendations:**

**a. Board Action #21-28 (Revised) – Janitorial Services (STEP)** M. Maskey, Facilities Director reporting. DWIHN is requesting board approval for continuation of janitorial services with the vendor Services to Enhance Potential (STEP). Board Action #21-28 was originally approved in the amount of \$178,000.00 for a 3-year term. Facilities is requesting to exercise the one-year renewal option for services in the amount of \$72,785.04. This would bring the contract value not to exceed in the amount of \$250,785.05 and extend the contract term to September 30, 2024. (Action) Ms. Ruth requested additional information for review at final full board approval. Staff to report number of employees that will be on site. Staff to report plan of action for construction cleanup process. The Chair called for a motion. **Motion:** It was moved by Mr. Glenn and supported by Mr. McNamara approval of BA #21-28 (Revised) to Full Board. **Motion carried.**

**b. Board Action #23-05 (Revision 5) – DWIHN FY 2022-2023 Operating Budget** Presented by S. Durant, CFO requesting amendment to the FY23 Operating Budget. Certification of additional State General Funds revenue of \$222,529 per Amendment 2 of the Comprehensive Services for Behavioral Health-2023 between DWIHN and the Michigan Department of Health and Human Services. The amendment authorizes the use of unspent FY22 Multicultural Program funds for the FY23 Multicultural Program; Certification of additional Federal Grant funds per MDHHS award of \$424,137.69 of unspent FY22 COVID Supplemental funds for use in FY23; Certification of \$682,982 of Local Funds to comply with Michigan House of Representatives mandate establishing a minimum requirements for budgeting Public Act 2 (PA2) funds; Decertification of Federal Grant Funds of \$27,732.00 per MDHHS Modification of the Compulsive Gambling Prevention and Treatment funds; The revised FY23 Operating Budget of \$1,032,828,326.69 consists of: \$21,852,710 (State General Funds); \$798,256,944 (Medicaid, DHS Incentive, Medicaid-Autism; Children's/SEO Waiver, HAB); \$9,886,123 (MI Health Link); \$140,914,218 (Healthy MI-Mental Health and Substance Abuse); \$17,686,447 (Wayne County Local Match Funds); \$4,723,521 (PA2 Funds); \$7,294,100 (State Grant Portion of OBRA and SUD grant funds); The Chair called for a motion. **Motion:** It was moved by Ms. Ruth and supported by Mr. Glenn approval of BA #23-05 (Revision 5) to Full Board. **Motion carried.**

**IX. New Business – Staff Recommendations:**

**a. Board Action #23-67 – DWIHN Call Center & Business Phone Systems** Presented by M. Singla, Executive VP of Operation reporting. This board actions requests funds for TTEC Government Solutions LLC to replace and consolidate services currently held by four contracts -BSB Solutions, Octavia Data Center, BCMI and Mitel. The vendor was selected through a RFP based on eight (8) proposals received; however, two (2) were deemed nonresponsive as they did not meet the DWIHN qualifications. The new solution will provide a cloud-based phone solution to replace the current DWIHN phone system in use at the Call Center as well as the business offices. The selected solution will be capable of handling the DWIHN current call volume, which ranges from about 24,100 to 36,000 calls per month, plus the anticipated additional call volume of the crisis center. The solution will be in use at all DWIHN facilities and remote locations. Finally, the proposed solution will allow DWIHN flexibility to grow as our needs grow. This contract will be initiated and effective upon Board approval for a term of three (3) years. The Chair called for a motion. **Motion:** It was moved by Ms. Ruth and supported by Mr. Glenn approval of BA #23-67 to Full Board. **Motion carried.**

**X. Good and Welfare/Public Comment** – The Chair read the Good and Welfare/Public Comment statement. There were no members of the public addressing the committee.

**XI. Adjournment** – There being no further business; The Chair, Ms. Brown called for a motion to adjourn. **Motion:** It was moved by Ms. Ruth and supported by Mr. McNamara to adjourn the meeting. **Motion carried.** The meeting adjourned at 2:57 p.m.

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**FOLLOW-UP  
ITEMS**

- a. Provide a list of current investments.

**DWIHN Division of Management and Budget  
Monthly Finance Report  
For the eight months ended May 31, 2023**

**DWIHN Finance accomplishments and noteworthy items:**

Nothing to report

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

- Cash flow is very stable and should continue to remain strong throughout the year as liquidity ratio = 2.72.

	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY
DWIHN	2.78	3.32	3.56	1.81	1.81	2.05	2.65	2.58	2.36	2.54	2.66	2.72

- (A) Cash and Investments – comprise of funds held by three (3) investment manager, First Independence CDARS, Comerica, and Flagstar accounts. This amount includes the \$21.3 million cash held in collateral for the two building loans.
- (B) Due from other governments – comprise various local, state and federal amounts due to DWIHN. Approximately \$11.7 million in SUD and MH block grant due from MDHHS, including \$6.3 million due from MDHHS for 7-mile care center billings for land development and costs reimbursement. Approximately \$5.8 million for April and May pass through HRA revenue. Approximately \$2.9 million due from MDHHS related to FY22 CCBHC cost settlement.
- (C) Accounts receivable/Allowance - Accounts receivable consist of approximately \$4.2 million due from Wayne County actual 1<sup>st</sup> and 2<sup>nd</sup> Quarter PA2 and April and May estimated and \$1.4 million due from the County for the May local match payment. Finally, Team Wellness \$.9 million related to prior year receivable outstanding. DWIHN recorded \$.5 million in an allowance for two SUD providers due to length of amount owed and likelihood of collections.
- (D) Prepayments and deposits – DWIHN provided The Children’s Center an early provider stability payment totaling \$3.5 million. TCC expressed concerns regarding its ability to meet cash flow needs.
- (E) IBNR Payable – represents incurred but not reported (IBNR) claims from the provider network; historical average claims incurred through May 31, 2023, including DCW hazard pay, 10% rate increase and \$1.00/hr. DCW wage increase, was approximately \$532.9 million however actual payments were approximately \$476.9 million. The difference represents claims incurred but not reported and paid of \$56.0 million.
- (F) Due to other governments – includes \$8 million due to MDHHS for death recoupment; \$1.8 million due to MDHHS for FY20 general fund carryover in excess of 5%; and \$8.5 million related to FY22 DCW hazard pay cost settlement. In addition, there is approximately \$3.0 million due to MDHHS for state hospitals and IPA tax payment.
- (G) Federal grants and contracts– The \$5.3 million variance is primary due to tow fold: (1) timing of several SUD grants and a year-end reclassification entry to move 18% of revenue to state grants; and (2) approximately \$3.0 million relates to the mobile crisis grant whereby DWIHN has not incurred any expenses to date.
- (H) SUD, Children, Adults and IDD services - \$36.9 million variance to timing and reduction in expenses. DWIHN anticipates providing stability payments in October/November 2023.
- (I) Contributions – \$798,000 represents allocable share (38%) of Boji purchase price of donated land (\$2.1 million). GASB requires donated land shall be recorded at market value, which in this case represents the purchase price.

**DETROIT WAYNE INTEGRATED HEALTH NETWORK**

Statement of Net Position

As of May 31, 2023

**Assets**

Cash and investments	219,806,674	A
Investments in Internal Service Fund	62,826,538	A
Other cash and investments	1,000	
Receivables		
Due from other governmental units	22,714,265	B
Accounts receivable	8,379,700	C
Less: allowance for uncollectible	(487,838)	C
Prepayments and deposits	3,899,098	D
Total current assets	<u>317,139,437</u>	
Capital assets, net of accumulated depreciation	<u>40,332,174</u>	
<b>Total Assets</b>	<u><u>357,471,611</u></u>	

**Liabilities and Net Position**

**Liabilities**

Accounts payable	13,629,318	
IBNR Payable	56,028,911	E
Due to Wayne County	1,414,980	
Due to other governments	21,327,233	F
Accrued wages and benefits	2,257,768	
Unearned revenue	401,567	
Accrued compensated balances	1,739,306	
Total current liabilities	<u>96,799,083</u>	
Notes Payable	<u>6,982,222</u>	
<b>Total Liabilities</b>	<u><u>103,781,305</u></u>	
<b>Net Position</b>		
Net investment in capital assets	33,349,952	
Unrestricted - PA2 funds	7,833,972	
Restricted Cash Collateral	21,001,929	
Internal Service Fund	62,826,538	
Unrestricted	<u>128,677,915</u>	
<b>Total Net Position</b>	<u><u>253,690,306</u></u>	
<b>Liabilities and Net Position</b>	<u><u>357,471,611</u></u>	

**Statement of Revenues, Expenses and Changes to Net Position  
For the Eight Months Ending May 31, 2023**

	Year to Date					
	Budget	Actual	Variance	Budget	Actual	Variance
<b>Operating Revenues</b>						
Federal grants	\$ 2,630,083	\$ 2,596,237	\$ (33,846)	\$ 21,040,664	\$ 15,737,642	\$ (5,303,022) G
State grants and contracts	80,732,770	91,668,108	10,935,338	645,862,160	659,186,503	13,324,343
Medicaid and GF prior year carryover	-	-	-	-	39,989,242	39,989,242
MI Health Link	823,844	595,184	(228,660)	6,590,749	7,484,188	893,439
Local grants and contracts	1,887,581	2,508,554	620,973	15,100,645	15,941,136	840,491
Other charges for services	3,333	937	(2,396)	26,667	36,233	9,566
<b>Total Operating Revenues</b>	<b>86,077,611</b>	<b>97,369,020</b>	<b>11,291,409</b>	<b>688,620,885</b>	<b>738,374,944</b>	<b>49,754,059</b>
<b>Operating Expenses</b>						
Salaries	\$ 2,248,417	\$ 2,103,403	\$ 145,014	\$ 17,987,333	\$ 17,450,054	\$ 537,279
Fringe benefits	866,810	757,444	109,366	6,934,479	6,809,510	124,969
Substance abuse services	5,773,459	4,863,044	910,415	46,187,672	38,842,403	7,345,269 H
Autism Services	6,512,645	6,178,106	334,539	52,101,156	51,135,575	965,581
MI HealthLink	823,010	867,366	(44,356)	6,584,082	7,737,063	(1,152,981)
Adult Services	27,120,578	26,371,437	749,141	216,965,632	211,426,689	5,538,943 H
Children Services	6,362,764	3,561,379	2,801,385	50,902,114	43,085,962	7,816,152 H
Intellectual Developmental Disabled	32,804,943	27,647,736	5,157,207	262,439,547	246,298,552	16,140,995 H
Grant Programs	930,523	575,416	355,107	7,423,379	5,312,461	2,110,918
State of Michigan	1,569,175	2,848,002	(1,278,827)	12,553,400	13,215,501	(662,101)
Depreciation	147,233		147,233	1,177,862	520,409	657,453
Other operating	1,001,387	487,646	513,741	8,030,896	4,525,285	3,505,611
<b>Total Operating Expenses</b>	<b>86,160,944</b>	<b>76,260,979</b>	<b>9,899,965</b>	<b>689,287,552</b>	<b>646,359,464</b>	<b>42,928,088</b>
Operating Revenues over (under) Expenses	(83,333)	21,108,041	1,391,444	(666,667)	92,015,480	92,682,147
<b>Non-operating Revenues (Expenses)</b>						
Investment Earnings	83,333	117,664	34,330	666,667	3,533,339	2,866,673
Contributions		798,000	798,000		798,000	798,000
<b>Total Non-operating Revenues (Expenses)</b>	<b>83,333</b>	<b>915,664</b>	<b>832,330</b>	<b>666,667</b>	<b>4,331,339</b>	<b>3,664,673</b>
<b>Change in Net Position</b>	<b>-</b>	<b>22,023,705</b>	<b>2,223,774</b>	<b>-</b>	<b>96,346,819</b>	<b>96,346,820</b>
Net Position - Beginning of year					157,343,486	157,343,486
<b>Net Position - End of Year</b>	<b>\$ -</b>	<b>\$ 22,023,705</b>	<b>\$ 2,223,774</b>	<b>\$ -</b>	<b>\$ 253,690,305</b>	<b>\$ 253,690,306</b>

**Statement of Cash Flows**  
**For the Eight Months Ending May 31, 2023**

<b>Cash flows from operating activities</b>	
Cash receipts from the state and federal governments	\$ 689,396,175
Cash receipts from local sources and customers	15,977,370
Payments to suppliers	(735,994,254)
Payments to employees	(25,896,986)
	<u>(56,517,695)</u>
<b>Net cash provided by (used in) operating activities</b>	
<b>Cash flows from capital and related financing activities</b>	
Non cash capital contributions	798,000
Acquisition of capital assets	(21,754,183)
Proceeds from notes payable	6,982,222
Principle and interest paid on capital debt	(4,962,653)
	<u>(18,936,614)</u>
<b>Net cash provided by (used in) capital and related financing activities</b>	
<b>Cash flows from investing activities</b>	
Interest received on investments	3,533,339
Proceeds from sale of assets	-
	<u>3,533,339</u>
<b>Net cash provided by investing activities</b>	
<b>Net increase (decrease) in cash and cash equivalents</b>	(71,920,971)
<b>Cash and investments - beginning of period</b>	<u>354,555,182</u>
<b>Cash and investments - end of period</b>	<u><u>\$ 282,634,211</u></u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>	
Operating income (loss)	\$ 92,015,479
Adjustments to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation	520,409
Decreases (increases) in current assets:	
Accounts receivable	2,873,360
Prepayments and deposits	(3,126,442)
Due from other governmental units	5,227,039
Increases (decreases) in current liabilities:	
Accounts and contracts payable	(169,622,467)
IBNR Payable	56,028,911
Accrued wages	(802,278)
Due to Wayne County	1,414,980
Due to other governmental units	55,110
Unearned revenue	(41,101,798)
	<u>(56,517,695)</u>
<b>Net cash provided by (used in) operating activities</b>	<u><u>\$ (56,517,695)</u></u>
<b>Bank balance comprise the following @ May 31, 2023:</b>	
Flagstar (\$21.3 million restricted for loan account)	\$183,588,229
Investment Managers	80,964,343
First Independence Bank (CDARS)	20,149,062
Comerica	1,019,082
	<u>\$285,720,716</u>



## DETROIT WAYNE INTEGRATED HEALTH NETWORK BOARD ACTION

Board Action Number: 23-05R6 Revised: Requisition Number:

Presented to Full Board at its Meeting on: 7/21/2023

Name of Provider: Detroit Wayne Integrated Health Network

Contract Title: FY 2022-2023 Operating Budget

Address where services are provided: None

Presented to Finance Committee at its meeting on: 7/5/2023

Proposed Contract Term: 10/1/2022 to 9/30/2023

Amount of Contract: \$ 1,044,928,326.69 Previous Fiscal Year: \$ 927,640,119.00

Program Type: Modification

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

Date Contract First Initiated: 10/1/2022

Provider Impaneled (Y/N)?

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

Board approval is requested for the following amendments to the FY23 Operating Budget:

1. Certification of \$6.3 million in State Grant revenue for payment to the real estate developer on the 7 Mile project.
2. Certification of \$5.8 million in Local Funds for the Performance Bonus Incentive Plan (PBIP) through MDHHS.
3. Use of Medicaid Reserves of \$97,945 (salary/fringes) to fund four (4) part-time Peer Support Agents in Customer Services.

The revised FY23 Operating Budget of \$1,044,928,326.69 consists of the: \$21,852,710 (State General Funds); \$798,256,944 (Medicaid, DHS Incentive, Medicaid-Autism; Childrens/SED Waiver, HAB); \$9,886,123 (MI Health Link); \$140,914,218 (Healthy MI-Mental Health and Substance Use Disorders); \$17,686,447 (Wayne County Local Match Funds); \$4,723,521 (PA2 Funds); \$13,594,100 (State Grant portion of OBRA and SUD grants; 7 Mile Project); \$31,433,263.69 (Federal Grant/Federal Block Grants); \$6,041,000 (Local Grant Revenue); \$500,000 (Interest Income); \$40,000 (Miscellaneous Revenue)

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

Source of Funds: Multiple

Fee for Service (Y/N):

<b>Revenue</b>	<b>FY 22/23</b>	<b>Annualized</b>
MULTIPLE	\$ 1,044,928,326.69	\$ 1,044,928,326.69
	\$ 0.00	\$ 0.00
<b>Total Revenue</b>	\$ 1,044,928,326.69	\$ 1,044,928,326.69

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

Type of contract (Business/Clinical): Business

ACCOUNT NUMBER: MULTIPLE

In Budget (Y/N)?

Approved for Submittal to Board:

Eric Doeh, President/CEO

Stacie Durant, Vice President of Finance

Signature/Date:

Signature/Date:

*Eric Doeh*

*Stacie Durant*

Signed: Friday, June 30, 2023

Signed: Friday, June 30, 2023