



**Detroit Wayne
Integrated Health Network**

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**Finance Committee Meeting
Wednesday, March 3, 2021
Virtual Conference (BlueJeans)
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 – February 3, 2021**
- VII. Presentation of the Monthly Finance Report**
- VIII. Unfinished Business:**
Staff Recommendations:
 - a. BA# 21-25 (Revised 2) - DWIHN FY 2020-2021 Operating Budget
- IX. New Business:**
Staff Recommendations:
 - a. BA# 21-58 - Wayne State University: ECHO Survey – Adult & Children
- X. 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).
- XI. Adjournment**

Board of Directors

Bernard Parker, Chairperson
Dorothy Burrell
Kevin McNamara

Timothy Killeen, Treasurer
Lynne F. Carter, MD
William T. Riley, III

Dora Brown, Secretary
Angelo Glenn
Kenya Ruth

Michelle Jawad
Dr. Cynthia Tauzeg

Eric W. Doehring, President and CEO



FINANCE COMMITTEE

MINUTES

FEBRUARY 3, 2021

1:00 P.M.

**VIRTUAL
CONFERENCE(BLUEJEANS)**

MEETING CALLED BY	I. Commissioner Tim Killeen, Chair called the meeting to order at 1:03 p.m.
TYPE OF MEETING	Finance Committee Meeting
FACILITATOR	Commissioner Tim Killeen, Chair – Finance Committee
NOTE TAKER	Nicole Smith, Management Assistant
ATTENDEES	<p>Finance Committee Members Present: Commissioner Tim Killeen, Chair Mr. McNamara, Vice Chair Ms. Dora Brown Mr. Angelo Glenn</p> <p>Committee Members Excused: Ms. Dorothy Burrell</p> <p>Board Members Present: Chief William T. Riley, III</p> <p>Board Members Excused: None</p> <p>Staff: W. Brooks, CEO; E. Doeh, DCEO/COO; S. Durant, CFO; B. Blackwell, Chief of Staff; M. Singla, Chief Information Officer, S. Zawisa, Fiscal Informatics & Analytics Administrator</p> <p>Guests: None</p>

AGENDA TOPICS

II. Roll Call Ms. Lillian Blackshire, Board Liaison

DISCUSSION	Roll Call was taken by Ms. Blackshire and a quorum was present.
III. Committee Member Remarks	The Chair, Commissioner Killeen called for any Committee remarks. Mr. McNamara acknowledged the State of Michigan received 5 billion dollars in stimulus program funds; and asked if any of the funds had been allocated to DWIHN. B. Blackwell, Chief of Staff informed the Committee, the DWIHN Lobbyist and Public Affairs representatives would give information at the February 17, 2021 Full Board Meeting.
IV. Approval of Agenda	The Chair, Commissioner Killeen called for any amendments to the agenda. There were no changes requested to the agenda. The Chair called for a motion. Motion: It was moved by Mr. Glenn and supported by Ms. Brown approval of the agenda. Motion carried.

V. Follow-up Items:

There were no follow up items listed on the agenda. Discussion ensued on the "Follow-up Items" listed on the January 6, 2021 meeting minutes. A status update was provided on each item along with due dates on outstanding items.

VI. Approval of the Meeting Minutes

The Chair called for a motion on the Finance Committee minutes from the meeting of Wednesday, January 6, 2021. **Motion:** It was moved by Ms. Brown and supported by Mr. Glenn approval of the Finance Committee minutes from the meeting of Wednesday, January 6, 2020. There were no corrections to the minutes. **Motion carried.** Minutes accepted as presented.

VII. Presentation of the Monthly Finance Report

S. Durant, CFO presented the Monthly Finance report. A written report for three months ending December 31, 2020 was provided for the record. Authority Finance accomplishments and noteworthy items were as follows:

1. DWIHN initiated a request from certain SUD providers for consideration of financial stability payments for the fiscal year ended September 30, 2020. The focus was on specific service categories which included: (1) Group therapy and counseling; (2) Residential services; (3) Recovery Supports (4) Intensive Outpatient and (5) Methadone medication. These services, in most cases, are not performed via telehealth or a reduced capability to adhere to social distancing therefore the pandemic would have disproportionately impacted the providers.

2. MDHHS extended the \$2.00/hr. hazard pay through February 28, 2021. Discussion ensued regarding hazard pay.

In review of the Statement of Revenues, Expenses and Changes to Net Position for the Four Months Ending January 31, 2021; the CFO noted to the Committee there will be a budget adjustment for the State grants and contracts to increase the revenue, based on the first three months of revenues received from the State of Michigan.

Mr. McNamara requested information regarding reporting "Rainy Day Funds". The CFO noted the title is "Internal Service Funds" or "Reserve Funds". Per the PIHP contract, DWIHN is allowed to have up to 7.5% of annual revenues as reserves. The Chair requested that a line item for Reserves be added to the report even if the number is zero.

The Chair, Commissioner Killeen called for a motion on the Monthly Finance Report.

Motion: It was moved by Ms. Brown and supported by Mr. Glenn to accept the Monthly Finance Report. There was no further discussion. **Motion carried.**

VIII. AMI Hospitalization Incentive Presentation

The payment incentive model was initially included in the January 6, 2021 finance packet to the Finance Committee. The CFO gave the introduction to the presentation. She informed the Committee that the MDHHS had formally accepted and approved the use of the Payment Incentive program on February 2, 2021. The AMI Hospitalization Incentive model was presented by staff S. Zawisa, Fiscal Informatics & Analytics Administrator. A PowerPoint was provided for the record and an overview of the incentive model is noted as follows: It is a quarterly measurement to provide timely and continuing incentive to the providers; the metric is a ratio, so it is comparable across providers of various sizes; the thirteen largest AMI case management providers are eligible; there is a shared savings incentive and there are three tiers -Tier 1: 30% of any savings, relative to a provider's FY19 levels, will be shared with the provider;-Tier 2: 50% of any savings, relative to a provider's FY18 levels,

will be shared with the provider and the -Top Performer Incentive: The three providers with the lowest metric will share 50% of network savings relative to FY20 levels, up to \$300,000.

X. Unfinished Business – Staff Recommendations:

a. **Board Action #20-59 (Revised):** Peter Chang Enterprise – This board action is a modification to extend the contract 1 year (final extension) with Peter Chang Enterprise Inc. for the MHWIN System Maintenance for an amount not to exceed \$1,163,220. The board action was presented by staff M. Singla, CIO. Commissioner Killeen called for a motion on Board Action #20-59 (Revised). **Motion.** It was moved by Mr. Glenn and supported by Ms. Brown approval of Board Action #20-59 (Revised). **Motion carried.**

b. **Board Action #21-25:** DWIHN FY 2020-2021 Operating Budget – This board action is requesting board approval to amend BA 21-25 per the budget adjustment #21-35-005 - FY21 Substance Use Disorder (SUD) allocation from the Michigan Department of Health and Human Services. The budget adjustment de-certifies SUD revenue of \$2,527,483. Board Action presented by staff S. Durant, CFO. Commissioner Killeen called for a motion on Board Action #21-25. **Motion.** Moved by Mr. Glenn and supported by Mr. McNamara approval of Board Action #21-25. **Motion carried.**

XI. New Business – Staff Recommendations: none

XII. Good and Welfare/Public Comment – The Chair read the Good and Welfare/Public Comment statement.

There were no members of the public to address the committee.

XIII. Adjournment – There being no further business; the Chair called for a motion to adjourn. **Motion:** It was moved by Mr. McNamara and supported by Ms. Brown to adjourn the meeting. **Motion carried.**

The meeting adjourned at 2:45 p.m.

FOLLOW-UP ITEMS

- A. Provide a report that shows financial impact of transitioning to code 2015. Report should have its own section on financial report. CFO noted the report will only cover 30 days of billings. It was also noted the report should be given on a monthly basis. April 7, 2021 meeting (S. Durant)
- B. Quarterly Procurement Report- Provide on a quarterly basis the percentage of total purchases that come to the Board for approval compared to those that do not need Board approval. April 7, 2021 meeting (J. Mira)

**DWIHN Division of Management and Budget
Monthly Finance Report
For the four months ended January 31, 2021**

Authority Finance accomplishments and noteworthy items:

1. DWIHN initiated a request from certain SUD providers for consideration of financial stability payments for the fiscal year ended September 30, 2020. Five (5) providers qualified for stability payment totaling \$1.2 million. Providers were paid and claims were adjusted on February 16, 2021.
2. Legislation has proposed extending the \$2.00/hr. hazard pay through June 30, 2021; awaiting the Governor’s signature.
3. FY20 report deadlines extended until March 31, 2021; DWIHN will have final financial position at the April 2021 finance committee meeting. Plante Moran will present audit reports at May 2021 finance committee meeting.

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

- Cash flow is very stable and should continue to remain stable throughout the year as liquidity ratio = 2.11.

	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN
Authority	1.24	1.04	1.29	1.47	1.48	1.90	2.08	1.90	2.01	2.50	2.25	2.11

Cash and Investments – comprise of funds held by three (3) investment manager, First Independence CDARS, Comerica, and Flagstar accounts.

Due from other governments/ Accounts Receivable – comprise various local, state and federal amounts due to DWIHN primarily related to PBIC for \$4.7 million, and \$8.4 million and \$11 million due from MDHHS for 1st quarter DCW hazard pay and HRA, respectively.

IBNR Payable – represents incurred but not reported (IBNR) claims from the provider network; historical average claims paid through January 2021, including COVID-19 impact, was approximately \$217 million however actual payments were approximately \$177.4 million. The difference represents claims incurred but not reported of \$39.7 million.

Due to other governments – includes \$8 million due to MDHHS for death recoupment and \$4.6 million for DCW overpayment at 9/30/20.

Federal revenue/grant program expenses – variance due to timing of incurred expenses related to SUD, PASSAR and HUD grants.

State revenue and contracts - \$34 million budget verse actual variance due to pending budget adjustment to certify additional revenue of \$43 million.

Local grants and contracts – variance due to PA2 revenue. DWIHN does not receive 1st quarter PA2 however budget is based on 25% of total budgeted amounts.

Autism, SUD, Adult, and Children services – variance due to impact of COVID on certain lines of business and timing in services.

DETROIT WAYNE INTEGRATED HEALTH NETWORK

Statement of Net Position

As of January 31, 2021

Assets

Cash and investments	\$ 195,650,246
Other cash and investments	1,000
Receivables	
Due from other governmental units	28,368,413
Accounts receivable	3,789,054
Prepayments and deposits	49,719
Total current assets	<u>227,858,432</u>
Capital assets, net of accumulated depreciation	<u>12,953,785</u>
Total Assets	<u><u>\$ 240,812,217</u></u>

Liabilities and Net Position

Liabilities	
Accounts payable	\$ 30,800,500
IBNR Payable	39,652,770
Due to Wayne County	4,590,622
Due to other governments	15,105,335
Accrued wages and benefits	74,290
Unearned revenue	397,724
Accrued compensated balances	1,782,504
Total current liabilities	<u>92,403,745</u>
Notes Payable	5,523,455
Total Liabilities	<u>97,927,200</u>
Net Position	
Net investment in capital assets	7,430,331
Internal Service Fund	-
Unrestricted - PA2 funds	3,349,191
Unrestricted	<u>132,105,495</u>
Total Net Position	<u>142,885,017</u>
Liabilities and Net Position	<u><u>\$ 240,812,217</u></u>

DETROIT WAYNE INTEGRATED HEALTH NETWORK
Statement of Revenues, Expenses and Changes to Net Position
For the Four Months Ending January 31, 2021

	January 2021			Year to Date		
	Budget	Actual	Variance	Budget	Actual	Variance
Operating Revenues						
Federal grants	1,761,350	(748,380)	(2,509,730)	7,045,400	2,773,144	(4,272,256)
State grants and contracts	66,649,139	76,638,748	9,989,609	266,596,554	301,060,047	34,463,493
MI Health Link	623,844	1,455,010	831,166	2,495,374	3,662,878	1,167,504
Local grants and contracts	1,840,803	1,767,025	(73,778)	7,363,212	6,262,482	(1,100,730)
Other charges for services	3,333	464	(2,869)	13,333	3,724	(9,609)
Total Operating Revenues	70,878,469	79,112,867	8,234,398	283,513,873	313,762,275	30,248,402
Operating Expenses						
Salaries	1,710,910	1,503,046	207,864	6,843,638	6,095,479	748,159
Fringe benefits	660,768	563,474	97,294	2,643,073	2,225,239	417,834
Substance abuse services	4,387,744	3,669,356	718,388	17,550,978	13,788,208	3,762,770
Autism Services	5,094,623	4,488,087	606,536	20,378,493	16,291,276	4,087,217
MI HealthLink	623,010	1,010,863	(387,853)	2,492,041	3,246,945	(754,904)
Adult Services	22,725,064	29,156,645	(6,431,581)	91,297,865	86,359,638	4,938,227
Children Services	6,749,748	6,133,460	616,288	26,998,991	22,374,992	4,623,999
Intellectual Developmental Disabled	25,230,470	28,021,230	(2,790,760)	100,921,882	103,744,248	(2,822,366)
Grant Programs	692,294	446,569	245,725	2,769,175	1,537,795	1,231,380
State of Michigan	1,736,682	1,247,159	489,523	6,946,729	6,187,603	759,126
Depreciation	147,233	147,233	-	588,931	326,682	262,249
Other operating	1,203,256	1,171,060	32,196	4,415,410	4,059,417	355,993
Total Operating Expenses	70,961,802	77,410,949	(6,449,147)	283,847,206	266,237,522	17,609,684
Operating Revenues over (under) Expenses	(83,333)	1,701,918	14,683,545	(333,333)	47,524,753	47,858,086
Non-operating Revenues (Expenses)						
Investment Earnings	83,333	24,538	(58,795)	333,333	129,599	203,734
Total Non-operating Revenues (Expenses)	83,333	24,538	(58,795)	333,333	129,599	203,734
Change in Net Position	-	1,726,456	14,624,750	-	47,654,352	48,061,820
Net Position - Beginning of year					95,230,665	95,230,665
Net Position - End of Year	-	1,726,456	14,624,750	-	142,885,017	143,292,485

DETROIT WAYNE INTEGRATED HEALTH NETWORK
Statement of Cash Flows
For the Four Months Ending
January 31, 2021

Cash flows from operating activities	
Cash receipts from the state and federal governments	\$ 301,516,416
Cash receipts from local sources and customers	6,266,206
Payments to suppliers	(266,661,123)
Payments to employees	<u>(8,691,978)</u>
Net cash provided by (used in) operating activities	<u>32,429,522</u>
Cash flows from capital and related financing activities	
Acquisition of capital assets	(117,613)
Principle and interest paid on capital debt	<u>(174,255)</u>
Net cash provided by (used in) capital and related financing activities	(291,868)
Cash flows from investing activities	
Interest received on investments	129,599
Proceeds from sale of assets	<u>39,773</u>
Net cash provided by investing activities	<u>169,372</u>
Net increase (decrease) in cash and cash equivalents	32,307,026
Cash and investments - beginning of period	<u>163,344,220</u>
Cash and investments - end of period	<u><u>\$ 195,651,246</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities	
Operating income (loss)	\$ 47,524,754
Adjustments to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation	326,682
Decreases (increases) in current assets:	
Accounts receivable	2,808,311
Prepayments and deposits	279,835
Due from other governmental units	(8,866,097)
Due from Wayne County	
Other assets	
Increases (decreases) in current liabilities:	
Accounts and contracts payable	(52,000,418)
IBNR Payable	39,652,770
Accrued wages	(290,117)
Due to Wayne County	2,744,197
Due to other governmental units	171,471
Unearned revenue	<u>78,133</u>
Net cash provided by (used in) operating activities	<u><u>\$ 32,429,522</u></u>

**DETROIT WAYNE INTEGRATED HEALTH NETWORK
BOARD ACTION**

Board Action Number: 21-25 R2 Revised: Y Requisition Number:

Presented to Full Board at its Meeting on: 3/17/2021

Name of Provider: Detroit Wayne Integrated Health Network

Contract Title: FY 2020-2021 Operating Budget

Address where services are provided: 707 W. Milwaukee Detroit, MI 48202 United States

Presented to Finance Committee at its meeting on: 3/3/2021

Proposed Contract Term: 10/1/2020 to 9/30/2021

Amount of Contract: \$ 893,003,407.00 Previous Fiscal Year: \$ 833,066,765.00

Program Type: Continuation

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

Date Contract First Initiated: 10/1/2020

Provider Impaneled (Y/N)?

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

The Detroit Wayne Integrated Health Network staff is requesting board approval to amend BA 21-25 R1 per budget adjustment #21-35-011 -- certification of additional Medicaid revenue of \$43,989,268 per the projection of 1st quarter Medicaid revenue received.

The revised FY 2021 operating budget of \$893,003,407 includes revenue of \$30,449,269 (State General Funds); \$691,742,398 (Medicaid, DHS Incentive, Medicaid-Autism, Children's/SED Waiver, HAB); \$7,486,123 (MI Health Lin); \$114,952,550 (Healthy MI - Mental Health and Substance Abuse); \$17,686,447 (Wayne County Local Match Funds); \$3,507,941 (State Grant portion of SUD and OBRA); \$21,735,490 (Federal Grants/Federal Block Grants/SUD); \$362,650 (Local Grant Revenue); \$1,000,000 (Interest Income); and \$40,000 (Misc Revenue)

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

Source of Funds: Multiple

Fee for Service (Y/N): N

Revenue	FY 20/21	Annualized
	\$ 893,003,407.00	\$ 893,003,407.00
	\$ 0.00	\$ 0.00
Total Revenue	\$ 893,003,407.00	\$ 893,003,407.00

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

Type of contract (Business/Clinical):

ACCOUNT NUMBER: VARIOUS

In Budget (Y/N)? N

Approved for Submittal to Board:

Willie E. Brooks, President/CEO

Stacie Durant, Chief Financial Officer

Signature/Date:

Signature/Date:



Signed: Thursday, February 4, 2021

Signed: Wednesday, February 3, 2021

**DETROIT WAYNE INTEGRATED HEALTH NETWORK
BOARD ACTION**

Board Action Number: 21-58 Revised: N Requisition Number:

Presented to Full Board at its Meeting on: 3/17/2021

Name of Provider: Wayne State University

Contract Title: ECHO Survey - Adult & Children

Address where services are provided: 5700 Cass Avenue, Detroit, MI 48202

Presented to Finance Committee at its meeting on: 3/3/2021

Proposed Contract Term: 4/1/2021 to 3/31/2022

Amount of Contract: \$ 104,633.00 Previous Fiscal Year: \$ 95,015.43

Program Type: Continuation

Projected Number Served- Year 1: 1,750 Persons Served (previous fiscal year): 3498

Date Contract First Initiated: 4/1/2021

Provider Impaneled (Y/N)? Y

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

This board action is requested the approval of a one year contract with Wayne State University (WSU) Center for Urban Studies to administer two surveys, the ECHO survey for adults and the ECHO survey for children for a total of \$104,633.

The Customer Service unit is responsible for measuring various satisfaction and member experience, particularly related to NCQA requirements. It has been established and accepted by NCQA that the ECHO® Survey (developed with support from the Agency for Healthcare Research and Quality (AHRQ), is fully recognized as an acceptable tool for measuring the experience of care and outcomes for Managed Behavioral Healthcare Organizations. In 19/20, Wayne State University was contracted to administer the same two surveys. The current contract will again involve administration of two surveys, one for adults and one for children.

WSU Center for Urban Planning will provide the following for each the adult and children surveys:

Personnel (Project Director, Analyst, and Student Assistant) \$46,561

Non-Personnel

- Mail administration for sampling including return mail costs approximately \$5,872
- Internal copies and supplies/materials \$714
- Survey printing and mailing \$10,000

- Costs for participant incentives, (go directly to participants) approximately \$15,486
- Telephone administration including coordination of programming utilizing the Computer Aided Telephone Interviewing or (CATI) software already owned by WSU. Interviewer training and handling respondent incentives, approximately \$26,000

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

Source of Funds: Multiple

Fee for Service (Y/N): Y

Revenue	FY 20/21	Annualized
Multiple	\$ 104,633.00	\$ 104,633.00
	\$ 0.00	\$ 0.00
Total Revenue	\$ 104,633.00	\$ 104,633.00

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

Type of contract (Business/Clinical): Business

ACCOUNT NUMBER: 64914.817000.00000

In Budget (Y/N)? Y

Approved for Submittal to Board:

Eric Doch, Interim CEO

Stacie Durant, Chief Financial Officer

Signature/Date:

Signature/Date:

Eric Doch

Stacie Durant

Signed: Thursday, February 25, 2021

Signed: Thursday, February 25, 2021