



**Detroit Wayne  
Integrated Health Network**

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**Finance Committee Meeting  
Wednesday, February 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 – January 6, 2021**
- VII. **Presentation of the Monthly Finance Report**
- VIII. **AMI Hospitalization Incentive Presentation**
- IX. **Unfinished Business:**  
Staff Recommendations:
  - a. BA# 20-59 (Revised) - Peter Chang Enterprises
  - b. BA# 21-25 (Revised 1) - DWIHN FY 2020-2021 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**

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 Taueg

**Willie E. Brooks, Jr., President and CEO**



# FINANCE COMMITTEE

**MINUTES**

**JANUARY 6, 2021**

**1:00 P.M.**

**VIRTUAL  
CONFERENCE(BLUEJEANS)**

<b>MEETING CALLED BY</b>	I. Commissioner Tim Killeen, Chair called the meeting to order at 1:04 p.m.
<b>TYPE OF MEETING</b>	Finance Committee Meeting
<b>FACILITATOR</b>	Commissioner Tim Killeen, Chair – Finance Committee
<b>NOTE TAKER</b>	Nicole Smith, Management Assistant
<b>ATTENDEES</b>	<p><b>Finance Committee Members Present:</b>                      Commissioner Tim Killeen, Chair                      Mr. McNamara, Vice Chair                      Ms. Dorothy Burrell                      Mr. Angelo Glenn</p> <p><b>Committee Members Excused:</b>                      Ms. Dora Brown</p> <p><b>Board Members Present:</b> Mr. Bernard Parker, Board Chair and Mr. William Riley, III</p> <p><b>Board Members Excused:</b> None</p> <p><b>Staff:</b> W. Brooks, CEO; E. Doeh, DCEO/COO; S. Durant, CFO; B. Blackwell, Chief of Staff; M. Singla, Chief Information Officer</p> <p><b>Guests:</b> None</p>

**AGENDA TOPICS**

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

<b>DISCUSSION</b>	Roll Call was taken by Ms. Blackshire and a quorum was present.
<b>III. Committee Member Remarks</b>	The Chair, Commissioner Killeen called for any Committee remarks. Mr. Glenn wished the committee, staff, and guests a Happy New Year. Mr. McNamara gave Thanks to the DWIHN staff for all their efforts in serving the community.
<b>IV. Approval of Agenda</b>	The Chair, Commissioner Killeen called for changes or corrections to the agenda. There were no changes to the agenda. The Chair called for a motion. <b>Motion:</b> It was moved by Mrs. Burrell and supported by Mr. McNamara approval of the agenda. <b>Motion carried.</b>
<b>V. Follow-up Items: Items Follow-up</b>	<b>Item A:</b> Update Operational Efficiency Plan (S. Durant) A written report was provided for the record and will be covered under the Finance Report.

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

The Chair called for a motion on the Finance Committee minutes from the meeting of Wednesday, November 4, 2020. **Motion:** It was moved by Mr. Glenn and supported by Mr. McNamara approval of the Finance Committee minutes from the meeting of Wednesday, November 4, 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 two months ending November 30, 2020 was provided for the record. Cash flow is very stable and should continue to remain stable throughout the year as liquidity ratio = 2.50. Authority Finance accomplishments and noteworthy items were as follows:

1. Finance team developed AMI Incentive payment model with two categories and at this time, upside risk only. The two categories are (1) top three performers and (2) reduction of hospital costs with FY18 and FY19 as the tiered base. Finance presented the model to DWIHN leadership and subsequently formed a provider group consisting of Hegira, SWCS and Team Inc. to review model for attainability and reasonableness. Although we will continue to work with providers on data integrity issues related to assignment of consumers to proper CRSP, we will move forward with the model as there is no penalty to either party and only a financial gain for both parties. On December 22, 2020, DWIHN submitted the incentive plan to MDHHS for approval. Mr. McNamara recommended a 3<sup>rd</sup> party vendor to monitor the funding program. Committee request presentation of the funding model. (Action)

2. In March 2020, DWIHN liquidated \$7.5 million from investment managers. Based on current cash flow, DWIHN will restore the investment account in January 2021.

3. Effective October 1, 2019, DWIHN increased the Wayne County Jail per diem from \$125 to \$135. This increase was necessary to address the additional costs due to the pandemic. Retroactive payments to the providers were completed by the finance department June 2020. Discussion ensued at the request of Mr. Glenn regarding the purpose of the increase to providers. Staff E. Doeh explained the purpose was part of contract negotiations. Mr. Parker, Board Chair requested the CFO report the percentage of increase in per diem by March 2021 committee meeting. (Action)

4. To date, MDHHS has not responded to the Autism cost settlement or the 5% general fund carryover requested. At this point, DWIHN will proceed with the assumption that the general fund request has been approved. CFO will know the exact dollar amount in early February 2021 however the estimate is approximately \$3 million. Based on the estimate, management will recommend increasing the Wayne County Jail allocation by \$1.75 million.

5. DWIHN provided approximately \$3.6 million to thirteen (13) Autism, skill building and supported employment providers based on the financial stability reports received from the providers. Essentially, DWIHN covered the operating losses of the providers and took into consideration all CARES funding received. CFO noted, funding was only for any losses obtained to providers, for DWIHN line of business.

6. DWIHN estimates the return of \$4,665,809 in DCW premium pay to MDHHS. MDHHS requires PIHP's cost settle the DCW increase and return unspent funds. DWIHN paid out \$17.6 million and received \$22.3 million. DWIHN included a nominal contingency in the event additional claims are paid and require retroactive payment.

7. October and November Medicaid actual revenue received based on Milliman rates are higher than anticipated and upon receipt of December and January payment, Finance will

prepare budget adjustment accordingly. Committee requested when Board action is present to provide background on Milliman history. (Action)

8. On December 18, 2020, non-union staff were paid their merit increases which went up to five percent (5%) based on evaluations. In the past, non-union staff awaited the signed union contracts to receive merit pay. This practice could have a negative influence on union negotiation, and non-union increases are based on individual evaluations therefore CEO ceased practice.

9. HUD notified DWIHN that contracts are delayed therefore DWIHN will be unable to drawdown federal funds for several months. DWIHN contracts with providers and reimburses them despite the delay. Such contracts include the housing and homeless programs.

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

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

#### **VIII. 4<sup>th</sup> Quarter FY20 Board Report for Contracts \$50,000 and Cooperative Purchasing**

The 4<sup>th</sup> Quarter Procurement Report was presented by staff J. Mira, Procurement Administrator. The report was provided to the Finance Committee meeting and is included in the agenda packet for informational purposes. Noteworthy information includes purchasing percentages: Contract Percentage for Wayne County is 6.5% and Out of County is 93.5%; Funding Percentage w/o IT for Wayne County is 11.6% and Out of County is 88.4%. It was requested by the committee that a report be provided on a quarterly basis that shows the percentage of total purchases that come to the Board for approval compared to those that do not need Board approval. (Action)

The Chair called for a motion to accept the 4<sup>th</sup> Quarter Procurement Report. The motion was moved by Mr. McNamara and supported by Ms. Burrell. **Motion carried.**

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

a. **Board Action #20-26 (Revision 5):** DWIHN FY 2019-2020 Operating Budget – This board action is a modification to the FY 2020 Budget to reflect the certification of additional Medicaid totaling \$12,966,704 to fully fund FY2020 payments to Direct Care Workers in the DWIHN system per approved BA 20- 06 R5 for the six-month period April 1 through September 30, 2020. In addition, the adjustment increases HRA revenue and expenses for \$6 million to actual amounts received/disbursed for the year. HRA is pass through funding from MDHHS to the community hospitals based on days of stay. The board action was presented by staff S. Durant, CFO. Commissioner Killeen called for a motion on Board Action #20-26 (Revision5). **Motion.** It was moved by Ms. Burrell and supported by Mr. McNamara approval of Board Action #20-26 (Revision 5). **Motion carried.**

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

a. **Board Action #21-51:** NexVortex Phone System – Request 3 yr. term for the procurement of additional services, software, modifications, programming, and maintenance to our phone system to support the added need due to in-house migration of the WellPlace call center. One time cost of 45,700.00, Monthly SIP/DID service cost (est) \$1025.62 x 36 mo.= \$36922.32, and Annual maintenance/support costs: \$18,543.04 x 3 = \$55629.12 for a total cost of \$138,251.44. Board Action presented by staff M. Singla, Chief of Information Officer. Commissioner Killeen called for a

motion on Board Action #21-51. **Motion.** Moved by Ms. Burrell and supported by Mr. McNamara approval of Board Action #21-51. **Motion carried.**

b. **Board Action #21-52:** Gregory Terrell & Company – This board action is requesting the approval of a two-year contract, with two one-year options for an amount not to exceed \$100,000. In response to an Invitation For Bid (IFB), Gregory Terrell & Associates, a Detroit based minority accounting firm, was deemed the lowest bidder. The firm will assist with accumulating the staff hours and consumers in the home. Board Action presented by staff S, Durant, CFO. Commissioner Killeen called for a motion on Board Action #21-52. **Motion.** Moved by Ms. Burrell and supported by Mr. McNamara approval of Board Action #21-52. **Motion carried.**

c. **Board Action #21-54:** Accuform Printing & Graphics – This board action is requesting the approval of a three (3) year contract for an amount not to exceed \$358,420. There was an Information For Bid (IFB) and the purchasing department recommended the award to the lowest bidder, Accuform. The DWIHN's Customer Service Department is responsible for the development of printed educational materials for its mental health Members, new applicants, and the community at large. Board Action presented by staff B. Blackwell, Chief of Staff. Commissioner Killeen called for a motion on Board Action #21-54. **Motion.** Moved by Mr. McNamara and supported by Ms. Burrell approval of Board Action #21-54. **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 to address the committee. Mr. McNamara gave acknowledgment of the tools provided to the committee members by DWIHN, such as the virtual meeting platforms, and requested all committee member use the tools provided to engage in the meetings.

**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. Burrell to adjourn the meeting. **Motion carried.**

The meeting adjourned at 2:59 p.m.

<b>FOLLOW-UP ITEMS</b>	<p>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. (S. Durant)</p> <p>B. CFO Durant to investigate to determine if CARES Act monies can be used for COVID-19 Building renovations – Board Action #21-49 COVID-19 Building Renovations. (S. Durant)</p> <p>C. Presentation of funding model by Steve Zawisa. (S. Durant)</p> <p>D. Board Chair requested the CFO report the percentage of increase in per diem by March 2021 committee meeting.</p>
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	E. 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. (J. Mira)	

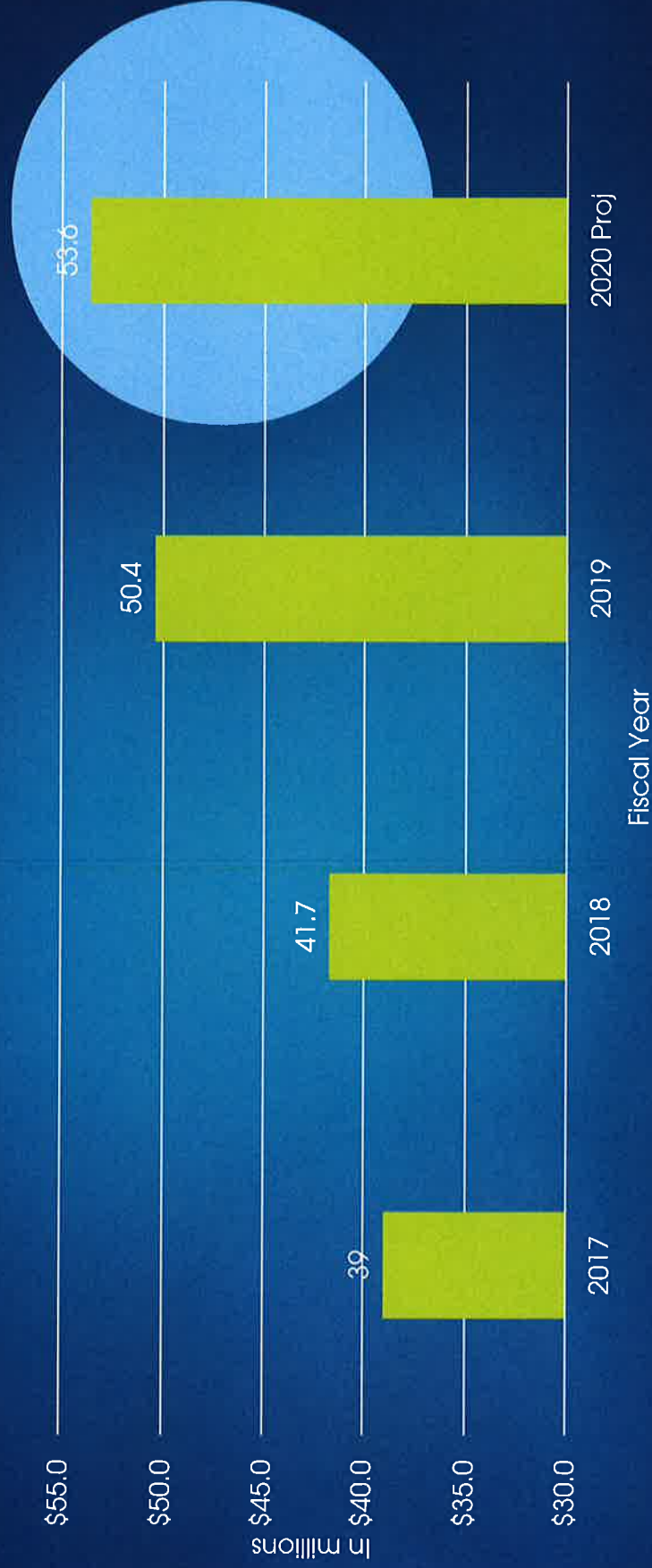


# AMI Hospitalization Incentive Program

FINANCE COMMITTEE  
FEBRUARY 3, 2021

# AMI Network - Hospital Expenditures

2



Note: Per claims data as of 1/6/21. Excludes MHL. 2020 is estimated as there are still outstanding claims.



# Hospital Days Relative to # of Members Served Is the Outcome, or Metric, Being Measured

3

- ▲ Based on one of Ohio Department of Medicaid's Payment Innovation programs
- ▲ Measured quarterly, to provide timely and continuing incentive to the providers
- ▲ The metric is a ratio, so comparable across providers of various sizes
- ▲ There are thirteen AML case management providers eligible to participate in this program. These thirteen make up 99.9% of network.
- ▲ Shared savings incentive- three components
  - ▲ 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
  - ▲ Top Performer Incentive: The three providers with the lowest metric will share a quarterly incentive pool of \$300,000, but only if there is at least \$600,000 in network savings relative to FY20 levels

▲ Top Performer Incentive: The three providers with the lowest metric will share a quarterly incentive pool of \$300,000, but only if there is at least \$600,000 in network savings in the quarter

Quarter 1	PMPM Served	# hosp days	hosp days/ 100 members served
Provider A	871	474	54.4
Provider B	5,020	4,862	96.9
Provider C	1,299	408	31.4
Provider D	1,221	1,764	144.5
Provider E	1,823	920	50.5
Provider F	2,649	1,504	56.8
Provider G	454	314	69.2
Provider H	1,372	1,442	105.1
Provider J	977	996	101.9
Provider K	1,128	504	44.7
Provider L	1,492	1,116	74.8
Provider M	473	459	97.0
Provider N	445	143	32.1

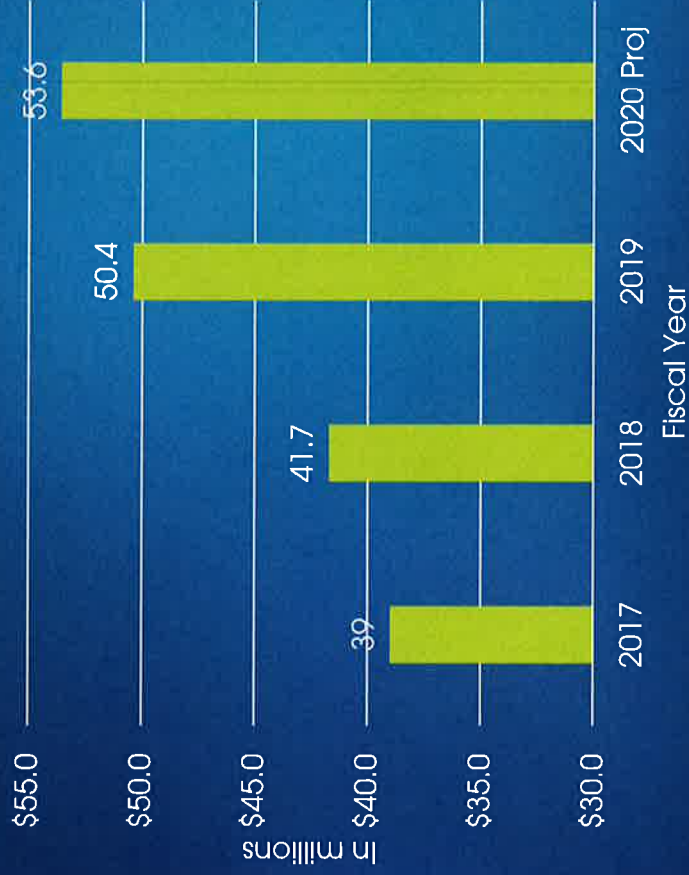
Providers C, K, and N have lowest days per member served and would earn "top performer incentive".

The \$300,000 incentive is prorated to the three providers based on relative number of members served.

Quarter 1	PMPM Served	% of Total	Proration of the \$300,000
Provider C	1,299	45%	\$135,689
Provider K	1,128	39%	\$117,827
Provider N	445	15%	\$46,483
	2,872	100%	\$300,000

# Potential Savings: Top Performers Incentive

5



If hospital expenditures decrease to FY19 levels, DWIHN would save \$3.2M per year and share up to \$1.2M with the top performers (\$300K per quarter).

Note: Per claims data as of 1/6/21. Excludes MHL. 2020 is estimated as there are still outstanding claims.

## Potential Savings: Tier One Savings Example

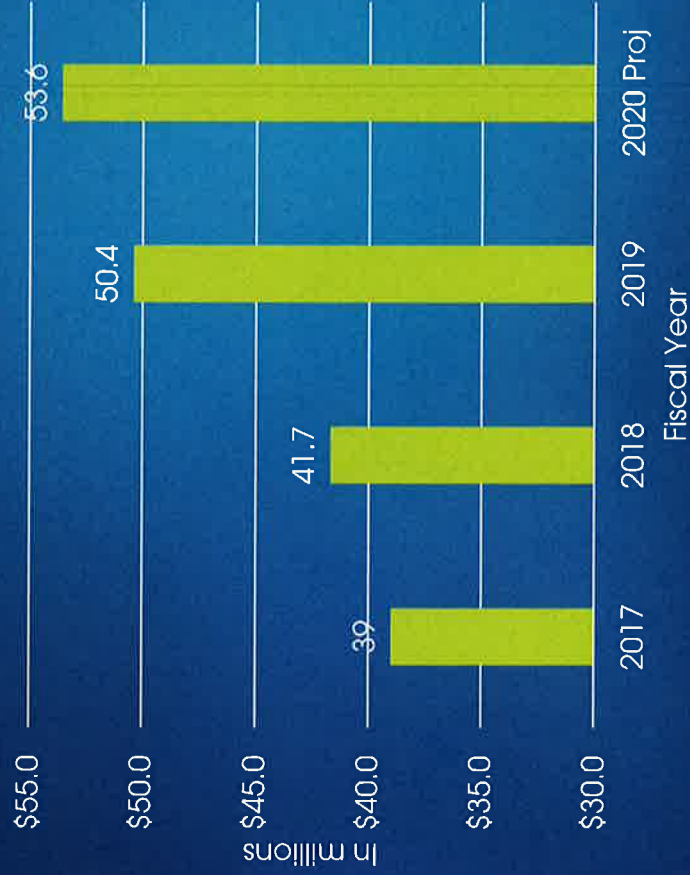
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Example 1	Baseline Quarter	Incentive Quarter	Increase/ (Decrease)
# members served	3,500	3,500	0
# hospital days	1,900	1,800	-100
Days/100 members	54.3	51.4	-2.9
Hospital claims paid	\$1,235,000	\$1,170,000	-\$65,000
Avg. cost per hospital day		\$650	
% shared savings		30%	
Incentive earned			\$19,500



# Potential Savings: Tier One Savings

7

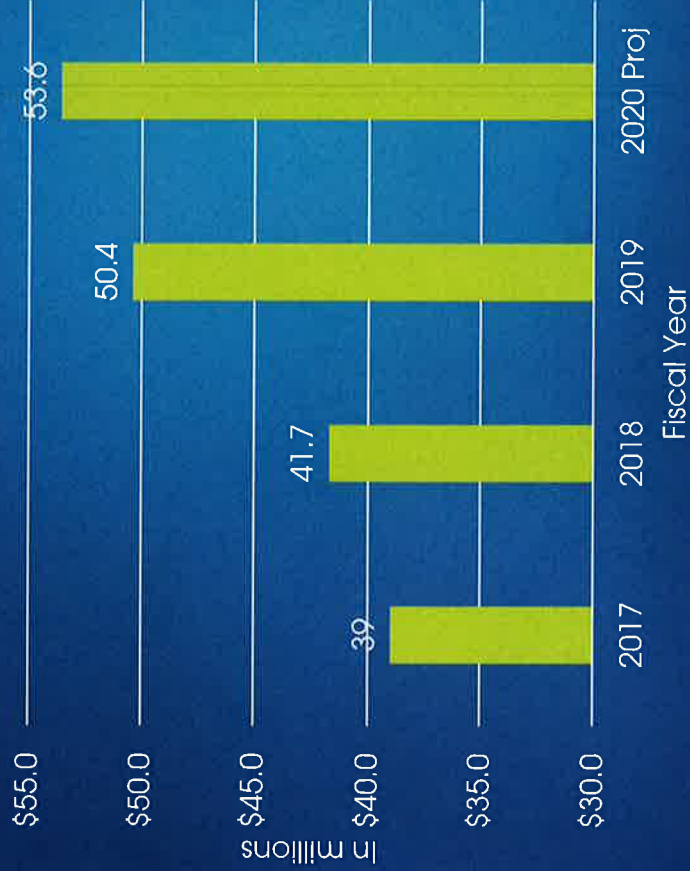


If hospital expenditures decrease to FY19 levels, DWIHN would save \$3.2M per year and share \$1.2 M with the top performers.

If hospital expenditures decrease even further to FY18 levels, DWIHN would save another \$8.7M per year and share 30%, or \$2.6M, with the providers.

Note: Per claims data as of 1/6/21. Excludes MHL. 2020 is estimated as there are still outstanding claims.

# Potential Savings: Tier Two Savings



If hospital expenditures decrease to FY19 levels, DWIHN would save \$3.2M per year and share up to \$1.2 M with the top performers.

If hospital expenditures decrease even further to FY18 levels, DWIHN would save another \$8.7M per year and share 30%, or \$2.6M, with the providers.

If hospital expenditures decrease even further to FY17 levels, DWIHN would save another \$2.7M per year and share 50%, or \$1.35M, with the providers.

Note: Per claims data as of 1/6/21. Excludes MHL. 2020 is estimated as there are still outstanding claims.

## Final Thoughts

9

- ▶ Because this is a shared savings incentive, top performer would only be paid if there were sufficient savings at the network level, and the Tier 1 and Tier 2 incentives would only be paid at the individual provider level for those meeting the savings thresholds
- ▶ Reducing hospital expenditures to the FY18 levels would save DWHN \$11.9 million, approximately \$3.8 million of which would be shared with the providers.
- ▶ The program is “upside risk” only to the providers in at least the first two years. Following that, the providers would share in both potential hospital savings and cost increases.
- ▶ Final measurement of the incentive would be made within 120 days of each fiscal quarter end.



A tropical beach scene with palm trees, turquoise water, and white sand. The image is oriented vertically, with the beach and water on the left and the palm trees on the right. The word "Questions?" is written in white, bold, sans-serif font across the center of the image.

**Questions?**



**DETROIT WAYNE INTEGRATED HEALTH NETWORK  
BOARD ACTION**

Board Action Number: 20-59R Revised: Y Requisition Number: 11,624

Presented to Full Board at its Meeting on: 2/17/2021

Name of Provider: Peter Chang Enterprises

Contract Title: PCE/MHWIN Maintenance Contract Extension #2

Address where services are provided: 'None'

Presented to Finance Committee at its meeting on: 2/3/2021

Proposed Contract Term: 3/1/2021 to 2/28/2022

Amount of Contract: \$ 1,163,220.00 Previous Fiscal Year: \$ 870,034.00

Program Type: Continuation

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

Date Contract First Initiated: 3/1/2017

Provider Impaneled (Y/N)? 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).

DWIHN is requesting board approval of a 1 year extension (final extension) with Peter Change Enterprise Inc. for the MHWIN System Maintenance for an amount not to exceed \$1,163,220. The amount comprises the following:

- **One-time payment \$258,000.00** (for billable out-of-scope work performed during prior contract years especially as part of System Transformation related changes in the system.)
- 4% annual increase

FY 20/21: \$603,490 (3/1/21-9/30/21) + (\$258,000.00 one time payment) = **\$861,480**

FY 21/22 (4 months): **\$301,740.**

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

Source of Funds: Multiple

Fee for Service (Y/N): Y

<b>Revenue</b>	<b>FY 20/21</b>	<b>Annualized</b>
Multiple	\$ 1,163,220.00	\$ 1,163,220.00
	\$ 0.00	\$ 0.00
<b>Total Revenue</b>	\$ 1,163,220.00	\$ 1,163,220.00

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

Type of contract (Business/Clinical): Business

ACCOUNT NUMBER: 64915.817000.00000

In Budget (Y/N)? Y

Approved for Submittal to Board:

Willie E. Brooks, President/CEO

Stacie Durant, Chief Financial Officer

Signature/Date:

Signature/Date:





Signed: Tuesday, January 19, 2021

Signed: Tuesday, January 19, 2021

**DETROIT WAYNE INTEGRATED HEALTH NETWORK  
BOARD ACTION**

Board Action Number: 21-25 R1 Revised: N Requisition Number:

Presented to Full Board at its Meeting on: 1/20/2021

Name of Provider: Detroit Wayne Integrated Health Network

Contract Title: FY 2020-2021 Operating Budget

Address where services are provided: 'None'

Presented to Finance Committee at its meeting on: 1/6/2021

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

Amount of Contract: \$ 849,014,139.00 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 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.

The revised FY 2021 operating budget, in the amount of \$849,014,139, includes revenues of \$30,449,269 (State General Funds); \$647,753,130 (Medicaid, DHS Incentive, Medicaid-Autism, Children's/SED Waiver, HAB); \$7,486,123 (MI Health Link); \$114,952,550 (Healthy MI - Mental Health and Substance Abuse); \$17,686,447 (Wayne County Local Match Funds); \$4,040,539 (PA2 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).

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

Source of Funds: Multiple

Fee for Service (Y/N): N

Board Action #: 21-25 R1

<b>Revenue</b>	<b>FY 20/21</b>	<b>Annualized</b>
VARIOUS	\$ 849,014,139.00	\$ 849,014,139.00
	\$ 0.00	\$ 0.00
<b>Total Revenue</b>	\$ 849,014,139.00	\$ 849,014,139.00

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

Type of contract (Business/Clinical): Business

ACCOUNT NUMBER: VARIOUS

In Budget (Y/N)? N

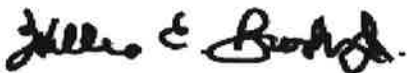
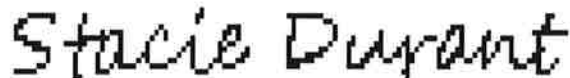
Approved for Submittal to Board:

Willie E. Brooks, President/CEO

Stacie Durant, Chief Financial Officer

Signature/Date:

Signature/Date:

Signed: Tuesday, January 26, 2021

Signed: Tuesday, January 26, 2021

**DWIHN Division of Management and Budget  
Monthly Finance Report  
For the three months ended December 31, 2020**

**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. 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.

**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 = 2.50.

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Authority	1.17	1.24	1.04	1.29	1.47	1.48	1.90	2.08	1.90	2.01	2.50	2.25

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 SUD for \$3.2 million, PBIC for \$5.8 million, and WC match for \$3.0 million.

IBNR Payable – represents incurred but not reported (IBNR) claims from the provider network; historical average claims paid through December 2020, including COVID-19 impact, was approximately \$163.1 million however actual payments were approximately \$116.3 million. The difference represents claims incurred but not reported of \$46.8 million.

Due to other governments – includes \$8 million due to MDHHS for death recoupment amount, \$4.6 million for DCW overpayment, and \$2.2 million for 1<sup>st</sup> Qtr. IPPA tax payment.

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

State revenue and contracts - \$15 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 1<sup>st</sup> 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 Thursday, December 31, 2020

**Assets**

Cash and investments	\$ 199,341,233
Other cash and investments	1,000
Receivables	
Due from other governmental units	13,289,087
Accounts receivable	5,390,160
Prepayments and deposits	49,719
Total current assets	<u>218,071,199</u>
Capital assets, net of accumulated depreciation	<u>12,953,785</u>
<b>Total Assets</b>	<b><u><u>\$ 231,024,984</u></u></b>

**Liabilities and Net Position**

**Liabilities**

Accounts payable	\$ 18,613,064
IBNR Payable	46,849,245
Due to Wayne County	3,677,574
Due to other governments	16,759,204
Accrued wages and benefits	-
Unearned revenue	621,433
Accrued compensated balances	1,782,504
Total current liabilities	<u>88,303,024</u>
Notes Payable	5,566,486
<b>Total Liabilities</b>	<b><u>93,869,510</u></b>
<b>Net Position</b>	
Net investment in capital assets	7,387,299
Unrestricted - PA2 funds	3,349,191
Unrestricted	126,418,984
<b>Total Net Position</b>	<b><u>137,155,474</u></b>
<b>Liabilities and Net Position</b>	<b><u><u>\$ 231,024,984</u></u></b>

**DETROIT WAYNE INTEGRATED HEALTH NETWORK**  
**Statement of Revenues, Expenses and Changes to Net Position**  
**For the Three Months Ending December 31, 2020**

	Year to Date					
	Budget	Actual	Variance	Budget	Actual	Variance
<b>Operating Revenues</b>						
Federal grants	\$ 1,761,350	\$ 520,062	\$ (1,241,288)	\$ 5,284,050	\$ 2,718,925	\$ (2,565,125)
State grants and contracts	66,649,139	69,988,629	3,339,490	199,947,416	215,760,478	15,813,062
MI Health Link	623,844	780,212	156,368	1,871,531	2,091,377	219,846
Local grants and contracts	1,840,803	1,457,968	(382,835)	5,522,409	4,421,612	(1,100,797)
Other charges for services	3,333	1,288	(2,045)	10,000	3,260	(6,740)
<b>Total Operating Revenues</b>	<b>70,878,469</b>	<b>72,748,159</b>	<b>1,869,690</b>	<b>212,635,406</b>	<b>224,995,652</b>	<b>12,360,246</b>
<b>Operating Expenses</b>						
Salaries	1,710,910	2,081,241	(370,331)	5,132,729	4,803,985	328,744
Fringe benefits	660,768	651,634	9,134	1,982,305	1,661,765	320,540
Substance abuse services	4,387,744	3,606,278	781,466	13,163,233	10,148,676	3,014,557
Autism Services	5,094,623	3,306,157	1,788,466	15,283,870	11,803,189	3,480,681
MI HealthLink	623,010	797,401	(174,391)	1,869,031	2,244,744	(375,713)
Adult Services	22,759,856	20,759,936	1,999,920	68,279,569	57,209,514	11,070,055
Children Services	6,749,748	5,055,623	1,694,125	20,249,243	16,242,516	4,006,727
Intellectual Developmental Disabled	25,230,470	25,865,936	(635,466)	75,691,411	75,680,941	10,470
Grant Programs	692,294	156,133	536,161	2,076,881	990,863	1,086,018
State of Michigan	1,736,682	1,203,255	533,427	5,210,047	4,940,444	269,603
Depreciation	147,233	326,682	(179,449)	441,698	326,682	115,016
Other operating	1,203,256	1,100,285	102,971	3,212,154	2,888,357	323,797
<b>Total Operating Expenses</b>	<b>70,996,594</b>	<b>64,910,561</b>	<b>6,086,033</b>	<b>212,592,171</b>	<b>188,941,676</b>	<b>23,650,495</b>
Operating Revenues over (under) Expenses	(118,125)	7,837,598	(4,216,343)	43,235	36,053,976	36,010,741
<b>Non-operating Revenues (Expenses)</b>						
Investment Earnings	83,333	54,838	(28,496)	250,000	105,061	(144,939)
<b>Total Non-operating Revenues (Expenses)</b>	<b>83,333</b>	<b>54,838</b>	<b>(28,496)</b>	<b>250,000</b>	<b>105,061</b>	<b>(144,939)</b>
<b>Change in Net Position</b>	<b>(34,792)</b>	<b>7,892,436</b>	<b>(4,244,839)</b>	<b>293,235</b>	<b>36,159,037</b>	<b>35,865,802</b>
Net Position - Beginning of year					100,996,440	100,996,440
<b>Net Position - End of Year</b>	<b>\$ (34,792)</b>	<b>\$ 7,892,436</b>	<b>\$ (4,244,839)</b>	<b>\$ 293,235</b>	<b>\$ 137,155,477</b>	<b>\$ 136,862,242</b>

**DETROIT WAYNE INTEGRATED HEALTH NETWORK**  
**Statement of Cash Flows**  
For the Three Months Ending December 31, 2020

<b>Cash flows from operating activities</b>	
Cash receipts from the state and federal governments	\$ 229,123,781
Cash receipts from local sources and customers	4,424,872
Payments to suppliers	(190,614,668)
Payments to employees	(6,783,561)
	<b>36,150,423</b>
<b>Net cash provided by (used in) operating activities</b>	
<b>Cash flows from capital and related financing activities</b>	
Acquisition of capital assets	(117,613)
Principle and interest paid on capital debt	(131,223)
	<b>(248,836)</b>
<b>Net cash provided by (used in) capital and related financing activities</b>	
<b>Cash flows from investing activities</b>	
Interest received on investments	105,061
Proceeds from sale of assets	-
	<b>105,061</b>
<b>Net cash provided by investing activities</b>	
<b>Net increase (decrease) in cash and cash equivalents</b>	
<b>36,006,648</b>	
<b>Cash and investments - beginning of period</b>	
<b>163,335,585</b>	
<b>Cash and investments - end of period</b>	
<b>\$ 199,342,233</b>	
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>	
Operating income (loss)	\$ 36,053,975
Adjustments to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation	326,682
Decreases (increases) in current assets:	
Accounts receivable	905,953
Prepayments and deposits	279,835
Due from other governmental units	7,568,916
Due from Wayne County	
Other assets	
Increases (decreases) in current liabilities:	
Accounts and contracts payable	(59,308,285)
IBNR Payable	46,849,245
Accrued wages	(237,211)
Due to Wayne County	1,992,659
Due to other governmental units	1,640,521
Unearned revenue	78,133
	<b>36,150,423</b>
<b>Net cash provided by (used in) operating activities</b>	
<b>\$ 36,150,423</b>	



