

Bay-Arenac Behavioral Health Authority
Estimated Cash and Investment Balances March 31, 2024

Balance March 1, 2024	6,272,931.45
Balance March 31, 2024	6,559,912.63
Average Daily Balance	5,296,007.99
Estimated Actual/Accrued Interest March 2024	19,492.20
Effective Rate of Interest Earning March 2024	4.42%
Estimated Actual/Accrued Interest Fiscal Year to Date	127,117.19
Effective Rate of Interest Earning Fiscal Year to Date	4.20%

Note: The Cash and Investment Balances exclude Payroll and AP related Cash Accounts.

Cash Available - Operating Fund

	Rate	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
Beg. Balance Operating Funds - Cash, Cash equivalents, Investments		4,929,028	4,145,850	3,560,754	2,822,426	3,940,689	3,431,903	4,022,437	3,285,926	8,549,839	7,456,274	7,733,635	3,167,316
Cash in		6,405,791	7,365,485	6,140,991	9,939,499	6,328,711	12,694,585	11,257,050	21,945,755	11,552,037	11,480,507	4,835,627	19,658,739
Cash out		(7,188,968)	(7,950,581)	(6,879,319)	(8,821,236)	(6,837,497)	(12,104,052)	(11,993,562)	(16,681,841)	(12,645,602)	(11,203,146)	(9,401,946)	(16,716,214)
Ending Balance Operating Fund		4,145,850	3,560,754	2,822,426	3,940,689	3,431,903	4,022,437	3,285,926	8,549,839	7,456,274	7,733,635	3,167,316	6,109,840
Investments													
Money Markets		4,145,850	3,560,754	2,822,426	3,940,689	3,431,903	4,022,437	3,285,926	8,549,839	7,456,274	7,733,635	3,167,316	6,109,840
	90.00												
	180.00												
	180.00												
	270.00												
	270.00												
Total Operating Cash, Cash equivalents, Invested		4,145,850	3,560,754	2,822,426	3,940,689	3,431,903	4,022,437	3,285,926	8,549,839	7,456,274	7,733,635	3,167,316	6,109,840
Average Rate of Return General Funds		2.14%	2.25%	2.41%	2.51%	2.60%	2.69%	3.82%	3.96%	4.01%	4.04%	4.05%	4.08%
		2.81%	3.01%	3.66%	3.46%	3.51%	3.71%	3.82%	4.09%	4.13%	4.11%	4.10%	4.24%
average		5,703,476	5,435,635	5,145,279	5,024,820	4,880,009	4,808,545	3,285,926	5,917,883	6,430,680	6,756,419	6,038,598	6,050,472

Cash Available - Other Restricted Funds

	Rate	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
Beg. Balance-Other Restricted Funds - Cash, Cash equivalents, Investments		428,924	430,428	432,047	433,645	435,308	437,156	438,953	440,817	442,629	444,508	446,396	448,169
Cash in		1,504	1,619	1,598	1,663	1,849	1,797	1,864	1,812	1,880	1,888	1,773	1,903
Cash out													
Ending Balance Other Restricted Funds		430,428	432,047	433,645	435,308	437,156	438,953	440,817	442,629	444,508	446,396	448,169	450,072
Investments													
Money Market		430,428	432,047	433,645	435,308	437,156	438,953	440,817	442,629	444,508	446,396	448,169	450,072
	91.00												
	91.00	0.70%											
	91.00	1.10%											
	91.00	1.15%											
	91.00	1.35%											
	90.00	1.70%											
	91.00	2.05%											
	90.00	2.15%	-	-	-	-	-	-	-	-	-	-	-
	365.00	0.00%											
Total Other Restricted Funds		430,428	432,047	433,645	435,308	437,156	438,953	440,817	442,629	444,508	446,396	448,169	450,072
Average Rate of Return Other Restricted Funds		3.47%	3.58%	3.68%	3.76%	3.88%	3.97%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
		4.35%	4.35%	4.50%	4.50%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
average		426,252	426,976	427,717	428,476	429,285	430,073	440,817	441,723	442,651	443,587	444,504	445,432
Total - Bal excludes payroll related cash accounts		4,576,278	3,992,801	3,256,071	4,375,997	3,869,059	4,461,390	3,726,743	8,992,468	7,900,782	8,180,031	3,615,485	6,559,913
Total Average Rate of Return		2.17%	2.25%	2.34%	2.41%	2.51%	2.58%	4.04%	4.08%	4.20%	4.21%	4.17%	4.20%

Bay-Arenac Behavioral Health
 Finance Council Board Meeting
 Summary of Proposed Contracts
 April 10, 2024

		Old Rate	New Rate	Term	Out Clause?	Performance Issues? (Y/N) Risk Assessment Rating (Poor/Fair/Good/Excellent)
SECTION I. SERVICES PROVIDED BY OUTSIDE AGENCIES						
Clinical Services						
1	T	T.R.A.C. Therapy Research Autism Center Termination of the contract for ABA services	State rates eff. 10/1/22	\$0	Terminated eff. 5/13/24	Y N
2	M	Arnold Center Add CLS services to the contract	\$0	\$6.52/unit - Adults \$7.72/unit - Children	4/19/24 - 9/30/24	Y N
Admin/Other Services						
3	M	Hospital Network Healthcare Services Sharps pick up at Mulholland for ACT	N/A	\$65/quarter	5/1/24-MTM	Y N
4	N	Intuitive Mind Training & Consulting DBT training, 2 days	N/A	\$3,500/day + expenses	5/30/24-5/31/24	Y N/A
SECTION II. SERVICES PROVIDED BY THE BOARD (REVENUE CONTRACTS)						
SECTION III. STATE OF MICHIGAN GRANT CONTRACTS						
5	N	MDHHS Assisted Outpatient Treatment Foundation Strengthening Initiative Grant for AOT	\$0	\$83,000	5/1/24 - 9/30/24	Y N
SECTION IV. MISC PURCHASES REQUIRING BOARD APPROVAL						
6	N	BIBERK Business Insurance Professional liability insurance - Tami Trea	\$1,020	\$1,212	4/19/24-4/19/25	N/A N/A
7	S	Community Mental Health Association of Michigan - Walk a Mile Ralley - Traveling Art Show	\$420 \$120	Same	4/19/24-9/12/24	N/A N

R = Renewal with rate increase since previous contract
 D = Renewal with rate decrease since previous contract
 S = Renewal with same rate as previous contract
 ES = Extension

M = Modification
 N = New Contract/Provider
 NC = New Consumer
 T = Termination

Footnotes:

The Protecting Local Government Retirement and Benefits Act (PA 202 of 2017) & Public Act 530 of 2016 Pension Report

Enter Local Government Name	Bay-Arenac Behavioral Health	Instructions: For a list of detailed instructions on how to complete and submit this form, visit michigan.gov/LocalRetirementReporting .
Enter Six-Digit Municode	097517	
Unit Type	Authority	
Fiscal Year End Month	September	
Fiscal Year (four-digit year only, e.g. 2019)	2023	Questions: For questions, please email LocalRetirementReporting@michigan.gov . Return this original Excel file. Do not submit a scanned image or PDF.
Contact Name (Chief Administrative Officer)	Marci Rozek	
Title if not CAO	Chief Financial Officer	
CAO (or designee) Email Address	mrozek@babha.org	
Contact Telephone Number	989-895-2228	
Pension System Name (not division) 1	Bay County Employees' Retirement System	If your pension system is separated by divisions, you would only enter one system. For example, one could have different divisions of the same system for union and non-union employees. However, these would be only one system and should be reported as such on this form.
Pension System Name (not division) 2		
Pension System Name (not division) 3		
Pension System Name (not division) 4		
Pension System Name (not division) 5		

Line	Descriptive Information	Source of Data	System 1	System 2	System 3	System 4	System 5
1	Is this unit a primary government (County, Township, City, Village)?	Calculated	NO	NO	NO	NO	NO
2	Provide the name of your retirement pension system	Calculated from above	Bay County Employees' Retirement System				
3 Financial Information							
4	Enter retirement pension system's assets (system fiduciary net position ending)	Most Recent Audit Report	63,783,360				
5	Enter retirement pension system's liabilities (total pension liability ending)	Most Recent Audit Report	66,617,207				
6	Funded ratio	Calculated	95.7%				
7	Actuarially Determined Contribution (ADC)	Most Recent Audit Report	672,876				
8	Governmental Fund Revenues	Most Recent Audit Report	69,701,756				
9	All systems combined ADC/Governmental fund revenues	Calculated	1.0%				
10 Membership							
11	Indicate number of active members	Actuarial Funding Valuation used in Most Recent Audit Report	240				
12	Indicate number of inactive members	Actuarial Funding Valuation used in Most Recent Audit Report	35				
13	Indicate number of retirees and beneficiaries	Actuarial Funding Valuation used in Most Recent Audit Report	157				
14 Investment Performance							
15	Enter actual rate of return - prior 1-year period	Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider	-15.52%				
16	Enter actual rate of return - prior 5-year period	Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider	5.99%				
17	Enter actual rate of return - prior 10-year period	Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider	8.99%				
18 Actuarial Assumptions							
19	Actuarial assumed rate of investment return	Actuarial Funding Valuation used in Most Recent Audit Report	7.25%				
20	Amortization method utilized for funding the system's unfunded actuarial accrued liability, if any	Actuarial Funding Valuation used in Most Recent Audit Report	Level Percent				
21	Amortization period utilized for funding the system's unfunded actuarial accrued liability, if any	Actuarial Funding Valuation used in Most Recent Audit Report	20				
22	Is each division within the system closed to new employees?	Actuarial Funding Valuation used in Most Recent Audit Report	No				
23 Uniform Assumptions							
24	Enter retirement pension system's actuarial value of assets using uniform assumptions	Actuarial Funding Valuation used in Most Recent Audit Report	68,163,042				
25	Enter retirement pension system's actuarial accrued liabilities using uniform assumptions	Actuarial Funding Valuation used in Most Recent Audit Report	67,446,082				
26	Funded ratio using uniform assumptions	Calculated	101.1%				
27	Actuarially Determined Contribution (ADC) using uniform assumptions	Actuarial Funding Valuation used in Most Recent Audit Report	1,137,467				
28	All systems combined ADC/Governmental fund revenues	Calculated	1.6%				
29 Pension Trigger Summary							
30	Does this system trigger "underfunded status" as defined by PA 202 of 2017?	Primary government triggers: Less than 60% funded <u>AND</u> greater than 10% ADC/Governmental fund revenues. Non-Primary government triggers: Less than 60% funded	NO	NO	NO	NO	NO

Requirements (For your information, the following are requirements of P.A. 202 of 2017)
 Local governments must post the current year report on their website or in a public place.
 The local government must electronically submit the form to its governing body.
 Local governments must have had an actuarial experience study conducted by the plan actuary for each retirement system at least every 5 years.
 Local governments must have had a peer actuarial audit conducted by an actuary that is not the plan actuary OR replace the plan actuary at least every 8 years.

By emailing this report to the Michigan Department of Treasury, the local government acknowledges that this report is complete and accurate in all known respects.

The Protecting Local Government Retirement and Benefits Act (PA 202 of 2017) Health Care (OPEB) Report

Enter Local Government Name	Bay-Arenac Behavioral Health	Instructions: For a list of detailed instructions on how to complete and submit this form, visit michigan.gov/LocalRetirementReporting .
Enter Six-Digit Municode	097517	
Unit Type	Authority	
Fiscal Year End Month	September	
Fiscal Year (four-digit year only, e.g., 2019)	2023	
Contact Name (Chief Administrative Officer)	Marci Rozek	Questions: For questions, please email LocalRetirementReporting@michigan.gov . Return this original Excel file. Do not submit a scanned image or PDF.
Title if not CAO	Chief Financial Officer	
CAO (or designee) Email Address	mrozek@babha.org	
Contact Telephone Number	989-895-2228	
OPEB System Name (not division) 1	Bay County Retiree Health Care Plan	If your OPEB system is separated by divisions, you would only enter one system. For example, one could have different divisions of the same system for union and non-union employees. However, these would be only one system and should be reported as such on this form.
OPEB System Name (not division) 2		
OPEB System Name (not division) 3		
OPEB System Name (not division) 4		
OPEB System Name (not division) 5		

Line	Descriptive Information	Source of Data	System 1	System 2	System 3	System 4	System 5
1	Is this unit a primary government (County, Township, City, Village)?	Calculated	NO	NO	NO	NO	NO
2	Provide the name of your retirement health care system	Calculated from above	Bay County Retiree Health Care Plan				
3 Financial Information							
4	Enter retirement health care system's assets (system fiduciary net position ending)	Most Recent Audit Report	22,685,880				
5	Enter retirement health care system's liabilities (total OPEB liability)	Most Recent Audit Report	8,294,102				
6	Funded ratio	Calculated	273.5%				
7	Actuarially determined contribution (ADC)	Most Recent Audit Report	-				
7a	Do the financial statements include an ADC calculated in compliance with Numbered Letter 2018-3?	Most Recent Audit Report	YES				
8	Governmental Fund Revenues	Most Recent Audit Report	69,701,756				
9	All systems combined ADC/Governmental fund revenues	Calculated	0.0%				
10 Membership							
11	Indicate number of active members	Actuarial Funding Valuation used in Most Recent Audit Report	233				
12	Indicate number of inactive members	Actuarial Funding Valuation used in Most Recent Audit Report	-				
13	Indicate number of retirees and beneficiaries	Actuarial Funding Valuation used in Most Recent Audit Report	81				
14	Provide the amount of premiums paid on behalf of the retirees	Most Recent Audit Report or Accounting Records					
15 Investment Performance							
16	Enter actual rate of return - prior 1-year period	Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider	-14.10%				
17	Enter actual rate of return - prior 5-year period	Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider	5.65%				
18	Enter actual rate of return - prior 10-year period	Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider	7.70%				
19 Actuarial Assumptions							
20	Assumed Rate of Investment Return	Actuarial Funding Valuation used in Most Recent Audit Report	7.00%				
21	Enter discount rate	Actuarial Funding Valuation used in Most Recent Audit Report	7.00%				
22	Amortization method utilized for funding the system's unfunded actuarial accrued liability, if any	Actuarial Funding Valuation used in Most Recent Audit Report	Level Percent				
23	Amortization period utilized for funding the system's unfunded actuarial accrued liability, if any	Actuarial Funding Valuation used in Most Recent Audit Report	14				
24	Is each division within the system closed to new employees?	Actuarial Funding Valuation used in Most Recent Audit Report	No				
25	Health care inflation assumption for the next year	Actuarial Funding Valuation used in Most Recent Audit Report	7.5%/6.25%				
26	Health care inflation assumption - Long-Term Trend Rate	Actuarial Funding Valuation used in Most Recent Audit Report	3.50%				
27 Uniform Assumptions							
28	Enter retirement health care system's actuarial value of assets using uniform assumptions	Actuarial Funding Valuation used in Most Recent Audit Report	26,464,691				
29	Enter retirement health care system's actuarial accrued liabilities using uniform assumptions	Actuarial Funding Valuation used in Most Recent Audit Report	8,573,654				
30	Funded ratio using uniform assumptions	Calculated	308.7%				
31	Actuarially Determined Contribution (ADC) using uniform assumptions	Actuarial Funding Valuation used in Most Recent Audit Report	-				
32	All systems combined ADC/Governmental fund revenues	Calculated	0.0%				
33 Summary Report							
34	Did the local government pay the retiree insurance premiums for the year?	Accounting Records	YES				
35	Did the local government pay the normal cost for employees hired after June 30, 2018?	Accounting Records	YES				
36	Does this system trigger "underfunded status" as defined by PA 202 of 2017?	Primary government triggers: Less than 40% funded AND greater than 12% ARC/governmental fund revenues. Non-Primary government triggers: Less than 40% funded	NO	NO	NO	NO	NO

Requirements (For your information, the following are requirements of P.A. 202 of 2017)
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 Local governments must have had a peer actuarial audit conducted by an actuary that is not the plan actuary OR replace the plan actuary at least every 8 years.

By emailing this report to the Michigan Department of Treasury, the local government acknowledges that this report is complete and accurate in all known respects.

Sara McRae

Subject: FW: Celebrating a victory; Medicaid rates to Michigan's public mental health system to rise April 1
Attachments: SFY 2024 Rate Amendment Slides - act dis 3-21-24 (002).pdf

From: Monique Francis <MFrancis@cmham.org>
Sent: Monday, April 1, 2024 8:18 AM
To: Monique Francis <MFrancis@cmham.org>
Cc: Robert Sheehan <rsheehan@cmham.org>; Alan Bolter <ABolter@cmham.org>
Subject: Celebrating a victory; Medicaid rates to Michigan's public mental health system to rise April 1

WARNING: This message has originated from an **External Source**, please use caution when opening attachments or clicking links.

To: CEOs of CMHs, PIHPs, and Provider Alliance members
CC: CMHA Officers; Members of the CMHA Board of Directors and Steering Committee; CMH & PIHP Board Chairpersons
From: Robert Sheehan, CEO, CMH Association of Michigan
Re: Celebrating a victory

BACKGROUND: As you may remember late in 2023 and early 2024, CMHA was in regular phone and email dialogue with MDHHS leadership regarding the growing concerns over the Medicaid revenue losses that our system was experiencing, in the current fiscal year, and the need to close that gap. As a result of these dialogue, MDHHS leadership agreed to meet with CMHA. CMHA invited the CEOs of the CMHSPs and PIHPs to join CMHA in this meeting. Several CEOs and a number of CFOs joined this meeting. This meeting was not intended to debate whether a revenue gap exists. Rather the intent was to determine, jointly, the steps that will be taken once the size of the revenue gap is determined.

During that meeting, in January 2024, the CMHA delegation that while the state's PIHPs were in the process of completing the development of a clearer picture of that revenue decline, which will be shared with MDHHS once completed, CMHA and its members wanted to ensure that MDHHS leadership was aware of the relative size and cause of the Medicaid funding gap. The CMHA delegation, using the analysis of Bruce Bridges, CMHA Fiscal Analyst, and the analysis of enrollment anomalies, provided by CMHA member organizations, highlighted two causes of the Medicaid revenue losses:

- For months, our members have seen greater than expected enrollment declines in DAB, TANF, and HMP enrollees without offsetting expenses. The former is unexpected. The latter is not, in that this pattern of Medicaid expenses remaining while enrollment drops is common for specialty health plans and provider systems. During periods in which overall Medicaid enrollment declines, the bulk of persons served by those specialty systems (in this case, the state's public mental health system) retain their Medicaid eligibility and continue to receive services through these systems.
- The state's PIHPs and CMSHPs are seeing unusual re-enrollment patterns. As examples, they have seen Hab Waiver beneficiaries being moved out of Hab Waiver status and DAB enrollees being moved out to family planning only status. While these may be temporary "holding place" enrollment changes while the Department places these persons in the appropriate Medicaid category, our concern is heightened by the similarity of these re-enrollment patterns to those that we saw, several years ago, when DAB beneficiaries were re-enrolled as HMP enrollees given the far simpler enrollment process involved in the latter.

Parallel to this MDHHS-focused advocacy, Alan Bolter held a series of discussions with a number of key legislators around this issue, underscoring the need for increased Medicaid rates in FY 24 and 25, using the advocacy points, above, as the foundation for those discussions.

RESULT OF ADVOCACY AND ANALYSIS: This meeting was far more successful than we had hoped. Rather than simply setting the stage for action, while awaiting the development of the estimates of Medicaid revenue loss by the state's PIHPs, MDHHS and Milliman used the information that CMHA provided them – especially Bruce Bridges' enrollment and financial analysis - to conduct their own analysis of the enrollment decline and the related loss of Medicaid funding to our system. We want to take a moment to underscore the central role that Bruce Bridges' enrollment and financial projections in sparking the MDHHS and Milliman analysis.

The analysis by MDHHS and Milliman, of the impact of the enrollment decline that was deeper and steeper than Milliman had originally projected, resulted in findings much akin to those of CMHA and Bruce Bridges. That analysis will result in a considerable rate increase to our system, starting in April 2024. The slides that outline the thinking behind this rate increase and the resulting revenue change to the state's public mental health system are attached.

That rate increase will provide **\$116 million in Medicaid dollars to the state's public mental health system than is contained in the current rates**, as noted below – a page drawn from the attached slides (far right row, number third from the bottom). These new Medicaid revenues are very close to the \$117 million Medicaid gap projected by the PIHPs.

These increased rates are retroactive to October 1, 2023, with the revenues that should have been received from October 2023 through March 2024 being added to the April through September 2024 payments (see the graphic below – a page excerpted from the attached slides).

Note that CMHA's Fiscal Analyst, Bruce Bridges, and the state's PIHPs are examining the impact of these increased rates on the revenue picture for the state's public mental health system. While we await that analysis, we thought it key to inform all of you of this news - the implementation, by MDHHS, of this sizeable April rate increase - and to pause to celebrate this advocacy victory.

CELEBRATION AND ACCOLADES: This email has several purposes:

First, to celebrate a successful and dramatic advocacy effort. It is key that we take the time to celebrate a win of this magnitude, when many thought that this effort had little chance of succeeding.

Secondly, CMHA wants to thank all of you who provided information, from the field, and guidance on this front. It is our collective effort that makes initiatives, such as this advocacy initiative, successful. Bravo.

Finally, we want to take a moment to underscore the central role that Bruce Bridges and his enrollment and financial projections played in sparking the MDHHS and Milliman analysis. Bruce has provided in-depth, accurate, and timely analysis for CMHA and its members for years. The members of CMHA's Contract and Financial Issues Committee (CFI) know of his work. His analysis has been core to many of our advocacy efforts. We want to take this opportunity to applaud Bruce's work on this effort – being one of the earliest to see the disenrollment trend and its impact on the financial stability of our system. Bravo.

Robert Sheehan
Chief Executive Officer
Community Mental Health Association of Michigan
2nd Floor
507 South Grand Avenue
Lansing, MI 48933
517.374.6848 main
517.237.3142 direct
www.cmham.org

SFY 2024 DCW, Trend, & Enrollment Amendment Rate Change

RATE CELL	PROJECTED EXPOSURE	ORIGINAL SFY 2024 CAPITATION RATE (EXCLUDING HRA)	SFY 2024 AMENDED CAPITATION RATE (EXCLUDING HRA)	CAPITATION RATE PERCENT CHANGE	EFFECTIVE APRIL 2024 TO SEPTEMBER 2024 RATES
DAB – Enrolled	2,783,400	\$ 374.63	\$ 386.01	3.0%	\$ 398.05
DAB – Unenrolled	3,320,800	369.84	380.27	2.8%	391.27
HMP – Enrolled	7,582,600	44.62	46.62	4.5%	49.08
HMP – Unenrolled	2,076,600	35.39	36.97	4.5%	38.97
TANF – Enrolled	12,812,500	37.08	38.74	4.5%	40.59
TANF – Unenrolled	2,934,600	23.18	24.15	4.2%	25.22
HSW	88,100	7,044.50	7,128.12	1.2%	7,211.82
CWP	6,500	3,304.46	3,316.80	0.4%	3,329.14
<u>SED</u>	6,300	1,962.26	1,964.28	0.1%	1,966.30
Total	31,510,500	\$ 123.13	\$ 126.82	3.0%	\$ 130.86

