

AGENDA

BAY ARENAC BEHAVIORAL HEALTH BOARD OF DIRECTORS FINANCE COMMITTEE MEETING

Wednesday, June 12, 2024 at 5:00 pm

Room 225, Behavioral Health Center, 201 Mulholland Street, Bay City, MI 48708

Committee Members:	Present	Excused	Absent	Committee Member	Present	Excused	Absent	Others Present:
Tim Banaszak, Ch	_____	_____	_____	Pam Schumacher	_____	_____	_____	BABH: Marci Rozek, Chris Pinter, and Sara McRae Legend: M-Motion; S-Support; MA-Motion Adopted; AB-Abstained
Sally Mrozinski, V Ch	_____	_____	_____	Pat McFarland, Ex Off	_____	_____	_____	
Jerome Crete	_____	_____	_____	Robert Pawlak, Ex Off	_____	_____	_____	
Christopher Girard	_____	_____	_____	Richard Byrne, Ex Off	_____	_____	_____	
Kathy Niemiec	_____	_____	_____					

	Agenda Item	Discussion	Motion/Action
1.	Call To Order & Roll Call		
2.	Public Input (Maximum of 3 Minutes)		
3.	Investment Earning Reports for Period Ending May 31, 2024		3) Consideration of motion to refer the investment earnings reports for period ending May 31, 2024 to the full Board for information
4.	Contracts 4.1) Finance June 2024 Contract List		4.1) Consideration of motion to refer the Finance June 2024 contract list to the full Board for approval
5.	Unfinished Business 5.1) None		
6.	New Business 6.1) Update on BABH Investment Changes/Interest Rate Return 6.2) Update on Finance Receiving Consumer Payments regarding Credit Card Transaction		6.1) No action necessary 6.2) No action necessary

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BOARD OF DIRECTORS

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	6.3) Current Medicaid & General Fund Expense Trends and Strategic Plan Revision		6.3) No action necessary
7.	Adjournment	M -	S - pm MA

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

Balance May 1, 2024	6,599,578.61
Balance May 31, 2024	5,942,137.59
Average Daily Balance	5,620,468.18
Estimated Actual/Accrued Interest May 2024	19,631.29
Effective Rate of Interest Earning May 2024	4.19%
Estimated Actual/Accrued Interest Fiscal Year to Date	165,877.34
Effective Rate of Interest Earning Fiscal Year to Date	4.19%

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

Cash Available - Operating Fund

	Rate	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24
Beg. Balance Operating Funds - Cash, Cash equivalents, Investments		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	6,146,590
Cash in		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	13,131,069	13,733,115
Cash out		(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)	(13,094,320)	(14,391,408)
Ending Balance Operating Fund		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	6,146,590	5,488,296
Investments													
Money Markets		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	6,146,590	5,488,296
90.00													
180.00													
180.00													
270.00													
270.00													
Total Operating Cash, Cash equivalents, Invested		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	6,146,590	5,488,296
Average Rate of Return General Funds		2.41%	2.51%	2.60%	2.69%	3.82%	3.96%	4.01%	4.04%	4.05%	4.08%	4.08%	4.08%
		3.66%	3.46%	3.51%	3.71%	3.82%	4.09%	4.13%	4.11%	4.10%	4.24%	4.08%	4.05%
average		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	6,064,203	5,992,215

Cash Available - Other Restricted Funds

	Rate	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24
Beg. Balance-Other Restricted Funds - Cash, Cash equivalents, Investments		432,047	433,645	435,308	437,156	438,953	440,817	442,629	444,508	446,396	448,169	450,072	451,922
Cash in		1,598	1,663	1,849	1,797	1,864	1,812	1,880	1,888	1,773	1,903	1,850	1,919
Cash out													
Ending Balance Other Restricted Funds		433,645	435,308	437,156	438,953	440,817	442,629	444,508	446,396	448,169	450,072	451,922	453,841
Investments													
Money Market		433,645	435,308	437,156	438,953	440,817	442,629	444,508	446,396	448,169	450,072	451,922	453,841
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	80.00%												
Total Other Restricted Funds		433,645	435,308	437,156	438,953	440,817	442,629	444,508	446,396	448,169	450,072	451,922	453,841
Average Rate of Return Other Restricted Funds		3.68%	3.76%	3.88%	3.97%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
		4.50%	4.50%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
average		427,717	428,476	429,265	430,073	440,817	441,723	442,651	443,587	444,504	445,432	446,359	447,294
Total - Bal excludes payroll related cash accounts		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	6,559,912	6,598,512	5,942,138
Total Average Rate of Return		2.34%	2.41%	2.51%	2.58%	4.04%	4.08%	4.20%	4.21%	4.17%	4.20%	4.19%	4.19%

**Bay-Arenac Behavioral Health
Finance Council Board Meeting
Summary of Proposed Contracts
June 12, 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	N	QuickMar Pharmacy Services for Horizon Home	\$0	\$4 per resident per month	7/1/24 - ongoing	Y N
2	N	Respite Camp Disability Services Resource Center - GF Cost	Variable	Variable	6/17/24 - 9/30/24	Y N
3	M	Touchstone Increase to temporary unit rate for clubhouse services	\$6.24/unit	\$6.45/unit	7/1/24 - 9/30/24	Y N
4	R	MDHHS Eligibility Specialist Position	\$74,150/yr	\$74,900/yr	10/1/24-9/30/25	Y N
5*	N	Rose Hill Specialized Residential services for 1 BABHA individual	\$0	\$713/day	TBD - 9/30/24	Y N
6	M	Game Changer Pediatric Therapy Center Addition of 2:1 Staffing to CLS Single Case Agreement	\$0	\$16.50/unit	6/10/24 - 12/10/24	Y N
7	N	Kathleen Buday Art Therapy	\$0	\$100/session	7/1/24 - 9/30/24	Y N
8	N	Aidaly Care CLS Services	\$0	\$6/unit	7/1/24 - 9/30/24	Y N
9	N	Milestones ABA Clinic of Michigan, LLC ABA Services	\$0	State rates eff. 10/1/22	7/1/24 - 9/30/24	Y N
Admin/Other Services						
10	D	Sage Software HRMS Premium - Annual Subscription	\$15,664/year	\$14,503.89/year	7/22/24 - 7/21/25	Y N
11	R	Sage Software HRMS Business Care Silver - Time and Attendance	Previously included in above annual subscription.	\$5,525.10/year	7/22/24 - 7/21/25	Y N
12	R	Sage Software Fixed assets, licensing & support	\$3,680/year	\$3,974/year	7/22/24 - 7/21/25	Y N
13	S	Waystar Clearing House for submitting 3rd party insurance claims Monthly Subscription pricing includes: *Professional (Batch) Claims: 500 *Paper Claims: 0 *Electronic Remittance Advice: 500 *Eligibility Inquiries: 500	Annual Fee \$265 Monthly Fee \$200 \$0.27/add'l transaction \$0.56 each, \$0.27/add'l page printed \$0.07/add'l transaction \$0.27/add'l transaction	Same	7/23/24 - 7/22/25	Y N
14	R	Rural Wisconsin Health Cooperative Credentials verification - annual subscription fee - appointment - reappointment	\$500.00 \$141.21/each \$129.75/each	Same \$146.86/each \$134.94/each	7/1/24 - 6/30/25	Y N
15	R	CentralSquare Medworxx Policy & Procedure software support	\$5,132	\$5,388	9/1/24 - 8/31/25	Y N
16**	M	MMRMA Property and Liability Coverage	\$94,377	\$98,172	7/1/24 - 7/1/25	Y N
SECTION II. SERVICES PROVIDED BY THE BOARD (REVENUE CONTRACTS)						
SECTION III. STATE OF MICHIGAN GRANT CONTRACTS						
SECTION IV. MISC PURCHASES REQUIRING BOARD APPROVAL						

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:

- *5 This setting has not yet received HCBS provisional approval.
- **16 BABH is in a 2 year contract with MMRMA which expires 7/1/25. The 2 year renewal states the second year rate may increase but no more than 5%. Using the formula provided by MMRMA, this renewal increased 4.92%

Investment Instruments

	JPMorgan Chase Bank	Huntington Bank	Independent Bank	CIBC Bank	FlagStar Bank
<u>T-Bills (\$100K minimum)</u>					
6 Months	5.26%	5.25%			
12 Months	5.07%	5.06%			
<u>Broker C.D.</u>					
30 days			4.98%	5.15%	
6 Months			4.97%	5.00%	
12 Months	5.35%		4.84%	5.00%	
<u>CDARS</u>					
90 days				5.00%	
6 Months			4.55%	4.85%	
12 Months		5.10%	4.44%	4.85%	
MMKT Acct		4.75%	2.85% - 3.55%	4.6% - 4.9%	4.15%

The Broker CD rates for CIBC are a jumbo CD rate, minimum of \$100,000

- Recent federal regulatory changes did not lessen the burden of protecting substance abuse treatment information
- Lack of awareness/understanding/use among other health care providers for DIRECT messaging, Admission-Discharge-Transfer records (ADT's), Continuity of Care Document (CCD's), etc.

Breakthrough Initiatives:

Resources:

<ol style="list-style-type: none"> 1. Prepare for Behavioral Health Home (BHH) integrated health readiness. <ol style="list-style-type: none"> a. Identify next steps specific to health care improvement and create a work plan that incorporates every department so that health integration becomes a natural part of clinical flow. b. Continue to expand Advanced Health Services. c. d. Explore Behavioral Health Home service provision. 	<p>Health Care Integration Steering Committee (HCISC)</p>
<ol style="list-style-type: none"> 2. Define Policy and procedures for external information exchange and/or messaging processes with other (i.e., non-BABH provider network) health care providers: <ol style="list-style-type: none"> a. Determine how expectations for how BABHA clinicians will interact with ADT feed and activate alerts specific to such expectations. b. Define expectation for routine use of MiGateway and VIPR. Nurses are using. Expand for other clinical staff c. Continue to offer to exchange data with local health providers who are able to exchange DIRECT messages. If yes, determine what BABH would like to send/receive and what entities would like to send/receive. Target entities that do not contribute to MiGateway. d. Continue to use CC360 for care management, increase utilization to routine clinical workflow. 	<p>HCISC, Denise Groh- Amy Folsom, Sarah Van Paris</p>
<ol style="list-style-type: none"> <ol style="list-style-type: none"> i. 	
<ol style="list-style-type: none"> 3. Expand BABHA same-day access, outpatient, and crisis residential service options. 	<p>Joelin Hahn, Stacy Krasinski, Amy Folsom</p>
<ol style="list-style-type: none"> 4. Explore integrated behavioral health home models for ACT 	<p>Joelin Hahn, Karen Heinrich, Sarah VanParis</p>
<ol style="list-style-type: none"> 5. Implementation of health literacy training guidelines for staff and individuals served New employee performance review health care integration competency assessment 	<p>Sarah VanParis, Jennifer Lasceski</p>

Finance Committee

Environmental Scan:

Management of Internal Operations and Provider Network within BABHA Annual Budget and Available Revenue

Lead Team Member:

Marci Rozek; [Christopher Pinter](#)

Status:

Additional Revision
e
for 2024

Impact on Ability to Accomplish Mission:

- It is important to make strategic decisions while maintaining competitive business operations and a strong Provider Network in a manner that is consistent with organizational values
- As resources are impacted, service arrays, provider networks, staffing, and supporting infrastructure are also changed
- Shared risk nature of contract financing requires similar commitment from MDHHS, MSHN and BABHA to meet population service needs

Opportunities/Threats:

- Annual Performance Improvement Bonus Incentive Payment
- An increasing fund balance
- State and federal grant opportunities for integration and staff retention
- Funding of mandated direct care wage increase through capitated rates
- MSHN Network Provider Stabilization Plan developed to assist Providers with lost revenue and unusual expenditures during the pandemic has ended.
- ~~MSHN Network Provider Crisis Staffing Plan developed to assist Providers with staff recruitment and retention efforts has ended and funding is no longer available. It is at each CMHSP discretion to approve such efforts within their annual subcontract budget.~~
- Threat to public services posed by financial integration strategies
- Inpatient utilization/expense has increased 40% in two years
- Autism funding not sufficient to meet volume of services provided
- Demand for outpatient and autism services greater than internal and external capacity
- Community Living Support expenses have increased 16% in last two years
- Medicaid expansion has outpaced available mental health providers for all service populations~~Lack of services for people without Medicaid (source: community/ stakeholder needs assessment)~~
- Maintaining a stable Provider Network crucial. Staff recruitment and retention still a concern even after the pandemic.
- Long term financial viability of residential contracts
- Evaluation/monitoring of outcomes based vocational contracts
- ~~Vocational opportunities with Michigan Rehabilitation Services~~
- Expansion of Mobil Response Team to second shift with financial assistance from grant funds and MSHN
- Pervasiveness of need in some areas, such as SUD services in Arenac County
- MDHHS Home and Community Based Services changes and potential Waskul settlement will dramatically increase CMHSP costs without offsetting revenue enhancements~~Home and community based waiver financial impact being monitored, anticipate rise in community living support services~~
- ~~Potential for changes to or elimination of the Affordable Care Act and traditional Medicaid~~
- Post COVID labor market increasing all provider expenses.
- Lower cost crisis residential unit to divert higher cost inpatient hospitalizations
- Expansion of CCBHC site in the MSHN region consuming excess Medicaid funding/savings

Strengths/Weaknesses:

- Board aware of budget status and supportive of investments in provider systems
- Zero-based budgeting not performed periodically
- Scale of MSHN region allows opportunity to fund additional budget requests annually when MSHN's Medicaid savings and ISF allows
- Use of non-representational service
Lack of accounting for current utilization trends affects the MDHHS rate setting process
- MSHN supportive of Provider Stabilization efforts within each CMHSP budget
- Efficient use of EHR.
- Regional capitation basis not reflective of the specific needs of individual geographic areas, particularly with autism and healthy MI
Large continuum of services still available
- Lack of consistent information to community – i.e., services available before a crisis arises
- ~~Increasing inpatient hospital (utilization)~~
- High turn-over rate and over-time costs with Network Providers of direct care services
- MDHHS eligibility specialist and staff critical to monitoring Medicaid benefits
- MDHHS phasing out CMHSP local match drawdown commitments

Breakthrough Initiatives:

1. Monitor Long Term (3-5 year) Financial Plan based on revenue trends
2. Monitor Medicaid and General Fund expenses in every programmatic, personnel and financial consideration; continually monitor fiscal year revenue projections
3. Monitor financial stability of Network Providers; Monitor staff retention and impact of recent CLS and provider rate adjustments related to the DCW mandate

Resources:

Chris Pinter;;
Joelin Hahn;
Heather Beson

“

“

4. Monitor financial impact of Individual Placement and Support (IPS) Evidence Based Model, related vocational service, Outcome-Based Contracts and community living support services in response to home and community-based waiver.	“
5. <u>Implement local crisis residential facility and pursue expansion of inpatient psychiatric beds in Bay and/or Saginaw counties as alternative service options</u> Monitor health care reform; Prepare for possible changes to Medicaid funding	“
6. <u>Expand use of telehealth and mobile technology to increase</u> Manage revised productivity and compliance at individual service and staff level	“
7. <u>Investigate options to revise eligibility/authorization criteria</u> Monitor utilization trends for inpatient care, outpatient services and autism services <u>to reduce the increasing expense curve in 2025 as compared to community demand (i.e., autism benefit (ABA services), availability of crisis residential services, and expansion of outpatient services.</u>	“
8. Evaluate the financial impact of MDHHS ABA reimbursement rates against the actual cost of related services	
9. <u>Identify other options to reduce autism, Healthy Mi and General Fund expenses consistent with contract requirements</u> Continually monitor HMP and autism benefit costs not being fully covered by the benefit	
10. <u>Partner with CMHAM, MSHN and county officials to advocate with State for sustainable public mental health funding levels</u> Address any post-pandemic related cost/revenue challenges, including utilization trends and positioning services to survive financially in the changing environment.	

Program Committee

Environmental Scan: **Availability of Community Living Support Services (CLS) for Adults & Children**

Lead Team Member: Heather Beson, Melanie Corrión, Nicole Sweet, **Status:** Revised for 2024
Noreen Kulhanek

Impact on Ability to Accomplish Mission:

Community Living Service staffing is less available than is needed and therefore the demand for services across multiple clinical populations and service settings is not being met.

Opportunities/Threats:

Opportunities:

- Partnering with MALA and other Advocacy organizations to advocate for increase in wages for CLS positions.
 - Possibility to look at existing and new provider network/programs to fulfill this gap in services.
 - .
 - HCBS rules may require more community-based service provision increasing the need for more CLS;
 - North Bay CLS services have been able to assist in supporting other CLS arrangements.
 - Potential to increase Self Directed Arrangements utilizing Peer Support Brokers
 - MDHHS requirement and implementation of Electronic Visit Verification systems for Personal Care and CLS
- North Bay has moved to community based CLS services

Threats:

Strengths/Weaknesses:

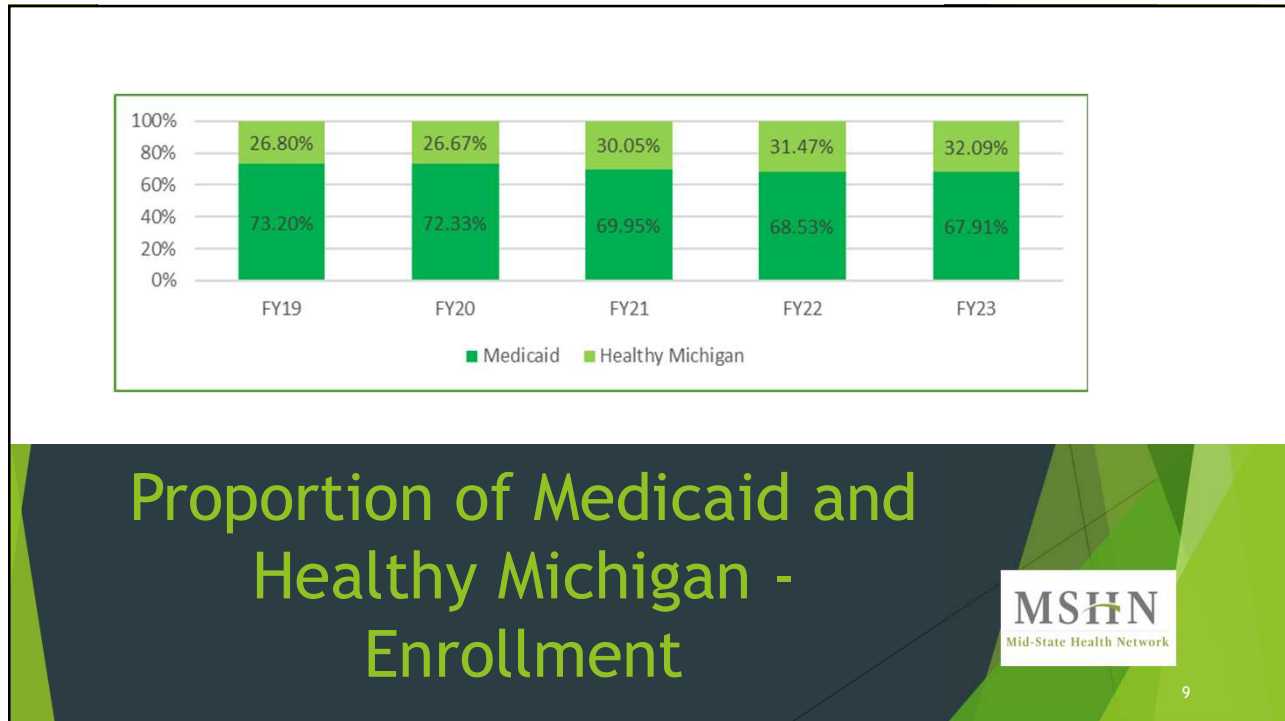
Strengths:

- Currently have multiple providers who provide CLS services.
- Provider system is in place with potential individuals who can provide CLS services.
- Direct Care Workers have received permanent post COVID and minimum wage rate increases.
- Implementation of Self-Directed services for people with SPMI.
- Have been able to pay a differential rate for Arenac County CLS.
- Have included the CLS Leadership Providers at Residential Meetings with BABHA staff.
- North Bay is providing CLS services and has successfully met HCBS rule requirements
- North Bay and Horizon Home staff have successfully supported a variety of emergent situations and has stabilized those situations. Transitions to new providers have been smooth as a result of the Crisis Team interventions.

REVENUE/EXPENDITURES

<u>Funding</u>	<u>MSHN PEPM Rev Est. FY24</u>	<u>BABH FY24 Approved MSHN Budget</u>	<u>FY 24 PEPM Rev Full Year Proj</u>	<u>FY 23 Actual PMPM</u>	<u>FY 22 Actual PMPM</u>	<u>FY 21 Actual PMPM</u>	<u>FY 20 Actual PMPM</u>	<u>FY 19 Actual PMPM</u>	<u>FY 18 Actual PMPM</u>	<u>FY 17 Actual PMPM</u>	<u>FY 16 Actual PMPM</u>
Medicaid	45,071,628	45,633,116	49,075,700	45,008,334	45,509,427	45,227,598	41,640,592	38,859,136	37,081,287	34,439,645	32,701,937
HMP	4,394,941	6,219,684	4,111,649	6,216,452	5,848,365	5,599,888	4,271,263	3,544,003	3,158,671	2,773,363	2,448,296
Autism	5,238,691	9,675,186	5,994,979	4,739,058	4,299,855	4,798,051	4,248,159	3,509,037	3,517,114	1,501,540	386,055
SUD 24/7/365	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000
Total Revenue	54,915,260	61,737,986	59,392,328	56,173,844	55,867,647	55,835,537	50,370,014	46,122,176	43,967,072	38,924,548	35,746,287
								Excludes Benefit Stabilization			

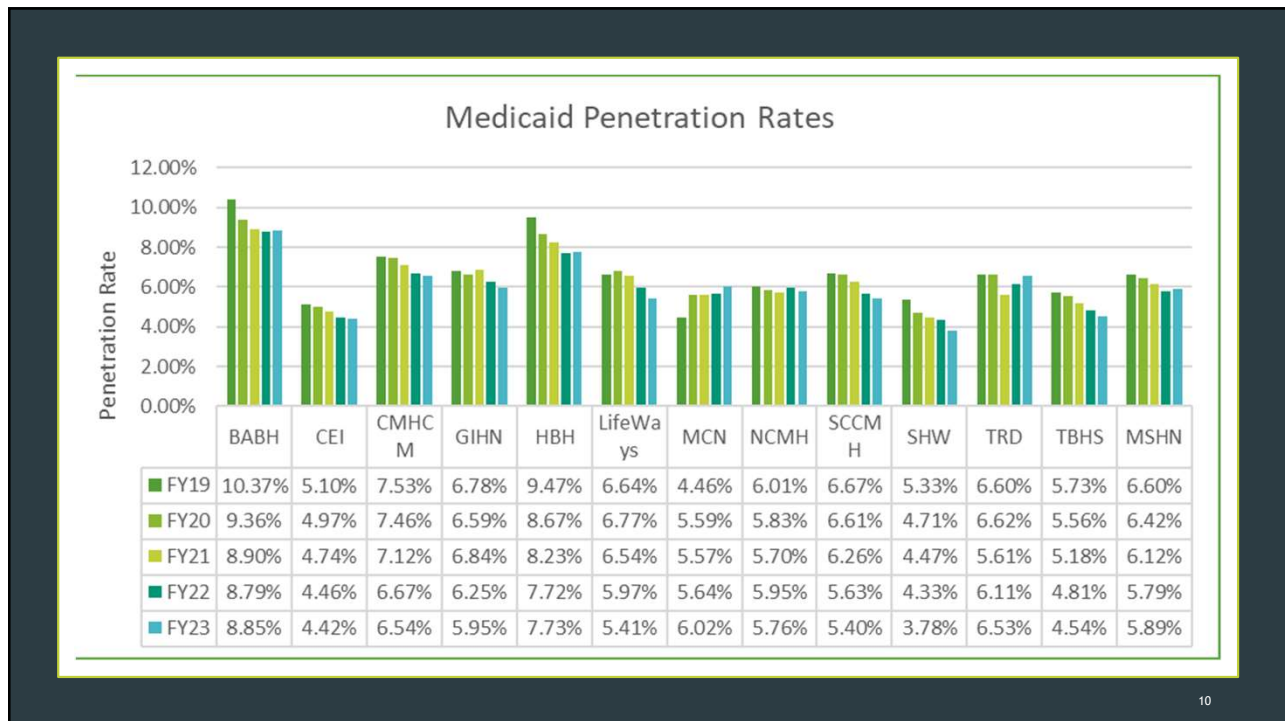
<u>Funding</u>	<u>Exp Proj as of 4/30/2024</u>	<u>Removed Crisis Staffing Exp FY23 Actual</u>	<u>Removed Crisis Staffing Exp FY22 Actual</u>	<u>FY21 Actual</u>	<u>FY20 Actual</u>	<u>FY19 Actual</u>	<u>FY18 Actual</u>	<u>FY17 Actual</u>	<u>FY16 Actual</u>
Medicaid	50,096,238	47,148,496	45,946,235	42,895,542	38,994,062	37,986,151	37,981,665	36,311,351	35,085,446
HMP	6,818,935	6,361,799	5,074,548	5,093,168	4,843,603	4,053,778	4,030,264	3,541,711	3,267,821
Autism	10,786,306	9,744,027	8,037,772	6,648,895	5,019,486	5,354,541	4,113,034	2,879,907	1,262,684
	67,701,479	63,254,322	59,058,555	54,637,605	48,857,151	47,394,470	46,124,963	42,732,969	39,615,951
<i>(Over)/Under PEPM</i>	-	<i>(8,309,152)</i>	<i>(7,080,478)</i>	<i>(3,190,908)</i>	<i>1,197,932</i>	<i>(1,272,294)</i>	<i>(2,157,890)</i>	<i>(3,808,421)</i>	<i>(3,869,664)</i>
<i>(Over)/Under Budget</i>		<i>(5,963,493)</i>							



Proportion of Medicaid and Healthy Michigan - Enrollment



9



10