
Meeting Agenda
BOARD OF DIRECTORS
Lakeshore Regional Entity
November 20, 2024 – 1:00 PM
GVSU Muskegon Innovation Hub
200 Viridian Dr, Muskegon, MI 49440

1. Welcome and Introductions – Ms. Gardner
2. Roll Call/Conflict of Interest Question – Ms. Gardner
3. Public Comment (Limited to agenda items only)
4. Consent Items:
Suggested Motion: To approve by consent the following items.
 - November 20, 2024, Board of Directors meeting agenda (*Attachment 1*)
 - October 23, 2024, Board of Directors meeting minutes (*Attachment 2*)
5. Reports –
 - a. CEO – Ms. Marlatt-Dumas (*Attachment 3*)
 - b. LRE Leadership –
6. Chairperson’s Report – Ms. Gardner
 - a. November 13, 2024, Executive Committee (*Attachment 4*)
7. MDHHS/PIHP Contract Discussion
8. Action Items –
 - a. MDHHS/PIHP Contract Amendment
Suggested Motion: To approve LRE CEO to execute the MDHHS/PIHP Contract Amendment 3.
 - b. PIHP/CMHSP FY25 Contract (full contract available upon request)
Suggested Motion: To approve LRE CEO to execute the FY25 PIHP/CMHSP Contract.
 - c. LRE Bylaws Amendment (*Attachment 5*)
Suggested Motion: To approve the LRE CEO to amend the LRE Bylaws and submit to regional CMHSP Executive Boards for approval.
 - d. FY2025 LRE Risk Management Strategy Plan (*included in the Work Session Packet*)
Suggested Motion: To approve the LRE FY25 Risk Management Strategy Plan.
 - e. Quality Assessment and Performance Improvement Program (QAPIP)
Suggested Motion: To approve the FY25 QAPIP as presented.
 - f. N180/LRE Utilization Management Consultant Contract

h. 2025 LRE Board Meeting Schedule (*Attachment 6*)

Suggested Motion: To approve the 2025 LRE Board Meeting Schedule as presented.

9. Financial Report and Funding Distribution – Ms. Chick (*Attachment 7*)

a. FY2025, October Funds Distribution (*Attachment 8*)

Suggested Motion: To approve the FY2025, October Funds Distribution as presented.

b. Statement of Activities as of 9/30/2024 with Variance Reports (*Attachment 9*)

c. Monthly FSR (*Attachment 10*)

10. Board Member Comments

11. Public Comment

12. Upcoming LRE Meetings

- December 11, 2024 – Executive Committee, 1:00PM
- December 18, 2024 – LRE Executive Board Work Session, 11:00 AM
GVSU, Muskegon Innovation Hub, 200 Viridian Dr, Muskegon, MI 49440
- December 18, 2024 – LRE Executive Board Meeting, 1:00 PM
GVSU, Muskegon Innovation Hub, 200 Viridian Dr, Muskegon, MI 49440

Meeting Minutes
BOARD OF DIRECTORS
Lakeshore Regional Entity
October 23, 2024 – 1:00 PM

GVSU Muskegon Innovation Hub, 200 Viridian Dr, Muskegon, MI 49440

WELCOME AND INTRODUCTIONS – Ms. Gardner

Ms. Gardner called the October 23, 2024, LRE Board meeting to order at 1:02 PM.

ROLL CALL/CONFLICT OF INTEREST QUESTION – Ms. Gardner

In Attendance: Ron Bacon, Jon Campbell, Patricia Gardner, Sara Hogan, Alice Kelsey, O’Nealya Gronstal, Dave Parnin, Andrew Sebolt, Stan Stek, Jim Storey, Janet Thomas, Craig Van Beek

Absent: Linda Dunmore, Janice Hilleary, Richard Kanten

PUBLIC COMMENT

Michael Brashears – in relation to agenda item 7 - CMHSP/PIHP contract. Mr. Brashears would like a call for unity to have the CMHSPs and PIHP come together and over the next 45 days come to agreement regarding the PIHP/CMHSP contract. Ottawa CMH is willing to work and meet at any time to complete the contract. The contract may not be perfect but is close enough to move forward with signatures while continuing to work language. He states that it is time that all involved worked together with the expertise that is available to complete the contract. Ottawa CMH is in full support of the staff and CEO of this region and is committed to completing the contract prior to the end of the 45-day extension.

CONSENT ITEMS:

LRE 24-42 Motion: To approve by consent the following items.

- October 23, 2024, Board of Directors meeting agenda
- September 25, 2024, Board of Directors meeting minutes

Moved: Janet Thomas

Support: Ron Bacon

Mr. Storey would like the September 25, 2024, meeting minutes to reflect that the reason he was not in attendance during was due to a conflict of his duties as the Michigan Association of Counties president.

MOTION CARRIED

LEADERSHIP BOARD REPORTS

a. CEO Report – Ms. Marlatt-Dumas

The CEO report is included in the Board packet for information.

- Met with colleagues and Board members at the CMHAM fall conference. If there are any Board members that are interested in attending a conference, contact Ms. Moran.
- LRE is asking for a 45-day extension to the PIHP/CMH contract today.
- A brief was sent to the LRE Board outlining the 3 (risk, indemnification, liability) conflictual items in the contract that have not been able to be agreed on.
- A self-assessment survey was sent out to BOD. If you did not receive it, contact the LRE.
- There was continued discussion with the state on the PIHP/MDHHS contract. There should be some communication from MDHHS on Friday about the next steps.

b. LRE Leadership Report – Stephanie VanDerKooi

The COO report is included in the Board packet.

- Tentatively will bring the CCBHC report to the Board in December.
- A Customer Satisfaction Survey report will be brought to the Board when it is completed.
- LRE Strategic Plan report will be brought to the Board in November.
- In FY25 LRE will focus on helping legal resources for veterans.

CHAIRPERSON’S REPORT

October 16, 2024, Executive Committee meeting minutes are included in the packet for information.

- Mr. Gardner updates that the primary issue discussed by the Executive Committee was the PIHP/CMH contract. The goal is to have a contract that all members can agree on. LRE was asked to write a brief explaining the issues and the position of the LRE. After receiving the memo, the CMHs have been asked to respond, after which a meeting will be scheduled to discuss items of disagreement to come to agreement on a contract. The brief and CMH responses will give the Board the information to weigh in if the members cannot come to a resolution on the issues. The presentation from Mr. Sheehan gave the Board more information on how to move forward.

ACTION ITEMS

LRE 24-43 Motion: To approve LRE CEO to execute the PIHP/CMHSP contract extension for 45 days beginning November 15, 2024 (11/14/2024 - end of previous extension).

Moved: Janet Thomas

Support: Stan Stek

MOTION CARRIED

FINANCIAL REPORT AND FUNDING DISTRIBUTION

CFO Report is included in the Board packet for information.

FY 25 rate setting – Ms. Chick updates that based on rates in September there was an increase of \$15.6 million, only \$4 million is traditional Medicaid while the additional \$11 million is CCBHC.

FY2024 September Funds Distribution

LRE 24-40 Motion: To approve the FY2024, September Funds Distribution as presented.

Moved: Ron Bacon Support: O’Nealya Gronstal

MOTION CARRIED

Statement of Activities as of 8/31/2024 with Variance Report-

Included in the Board packet for information.

Monthly FSR-

Included in the Board packet for information.

BOARD MEMBER COMMENTS

NA

PUBLIC COMMENT

NA

UPCOMING LRE MEETINGS

- November 13, 2024 – Executive Committee, 1:00PM
- November 20, 2024 – LRE Executive Board Work Session, 11:00 AM
GVSU, Muskegon Innovation Hub, 200 Viridian Dr, Muskegon, MI 49440
- November 20, 2024 – LRE Executive Board Meeting, 1:00 PM
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ADJOURN

Ms. Gardner adjourned the October 23, 2024, LRE Board of Directors meeting at 2:14 PM.

Ron Bacon, Board Secretary

Minutes respectfully submitted by:
Marion Moran, Executive Assistant

CEO Report
November 20th, 2024

Every day is a good day, but today is a Great Day to be a part of the Lakeshore Regional Entity!

PIHP/REGIONAL Update

1. **LRE Updates**

- LRE has contracted with ReFocus LLC (Jack Calhoun) to manage the LRE Compliance Program. Mr. Calhoun currently is under contact with the LRE in the areas of Autism data, meta-analysis of customer services surveys and the Utilization Management Matrix.
- LRE has begun working on the FY24 Annual Impact Report targeting an earlier release date.

2. **Regional Updates**

- WCMCMH CEO, Lisa Hotovy, has announced her resignation effective January 31, 2025.
- Autism
 - LRE Autism team is working with LRE IT to create Power Bi reports to analyze the intensity of services/ hours received, and length in time in service. This information will give us more insight into utilization management to better identify outliers. LRE Autism team is creating a template for utilization management to be used across the region increasing consistency with authorization approvals/ denials.
 - Network 180/LRE Corrective Action Plan with MDHHS
Update: LRE continues sending weekly updates to MDHHS. The original CAP end date was October 31st, 2024. MDHHS has extended Phase 1, as well as added 8 additional items. Progress was noted, however not all required milestones were met.
- PIHP/CMHSP Contract
Note: MDHHS has stated in writing that the PIHP/CMH contract should mirror the MDHHS/PIHP boilerplate contract with the necessary organizational revisions and with the understanding that there are numerous areas that are non-negotiable within the MDHHS/PIHP contract which then flows down to the PIHP/CMH contract.
Update:

- The CCBHC Agreement has been distributed to the CMSHPS as well as specialty grant contracts.
 - Contact Amendment #11 expired on 11/15/2024. Four of the five CMHs have agreed to sign the latest draft of the boilerplate contract with N180 requesting another 30-day extension amendment to the current contract. LRE counsel continues to work with Network180's counsel on resolution regarding the matter of risk.
- Network180 Financial Concerns:
Update: Statement of Work has been agreed to between LRE and Network180 for a utilization management consulting firm. LRE has agreed to meet with a vendor identified by Network180 who is in the process of scheduling a meeting. LRE will continue to work with Network180 to procure a vendor.
- Customer Services
 The overall quality of grievances reviewed through the audit process has improved significantly, with all CMHSPs achieving a total score of 96.96% compliance with grievance audit standards. Total compliance with NABD audit standards is 85%. Customer Services continues to conduct NABD and Person-Centered Writing training to improve the quality of notice content in the region.
- Habilitation Services Waiver (HSW)
 LRE filled 5 HSW slots for October, one packet is from Ottawa, one packet from OnPoint, and three packets from Network180. Currently the region has 15 open HSW slots with 12 packets ready for submission. However, due to MDHHS' request that PIHPs limit their submissions for initial enrollment, we are only allowed to submit 4 packets at a time while waiting for MDHHS' approval before being able to submit additional packets. This process has drastically slowed HSW enrollments. LRE has emailed an urgent message to MDHHS about this issue and requested immediate attention to this matter.
- **1915(i)SPA:**
 - MDHHS submitted an amendment for the 1915(i)SPA to CMS. The amended language will better align with the Waivers and Waiver Renewals language. MDHHS is still waiting for final approval.
 - Past Due enrollments are improving for our region, but still a focus of MDHHS. Overall new enrollment and recertifications are running smoothly for our Region. We will begin focusing on this more in the

coming months. Timely recertifications in the WSA are being looked at by the MDHHS Site Review Team.

- The LRE developed an iSPA Overview & Training that is now available to the CMHSPs and Providers. The training can be done virtually or in person and is available to the region upon request. Please send requests to Melanie Misiuk at MelanieM@lsre.org.
- Spenddowns continue to be the biggest roadblock for new enrollments and recertifications. Cases cannot be enrolled until spenddowns have been met, so those cases currently have to be checked regularly throughout the month. Currently there are over 20 spenddown cases waiting in the PIHP queue to be enrolled/recertified.

STATE OF MICHIGAN/STATEWIDE ACTIVITIES

MDHHS PIHP contract – discussion during previous Board meeting.

Update: Following last month’s Board of Directors meeting, the LRE and 6 other PIHPs received communication from MDHHS reiterating that if we did not sign the contract by 10/31/2024 then they would begin the transition planning process. Three of the seven PIHPs held special board meetings resulting in two of the three signing the contract due to their concern with the risk of MDHHS following through on the transition.

LRE Executive Committee (EC) held an additional meeting to discuss next steps that included possibly calling a special Board meeting. During this discussion an issue was brought to the ECs attention regarding the inability to call for a special Board meeting unless it is called during a regularly scheduled board meeting (per Robert’s Rules) due to not being specifically addressed in the LRE Bylaws. Since that meeting LRE legal has drafted an amendment to the bylaws that will be brought to LRE Board for approval. The CMHSPs Boards must unanimously approve the amendment to change the bylaws. The amendment is provided in the board packet.

The Executive Committee recommended moving forward with the LRE Board’s original direction, given during the October Board meeting, not to sign the contract. They further recommended bringing this to the full Board during the November meeting for further deliberation and next steps.

LRE requested an extension until 11/20/2024 for the LRE to address at the November Board meeting. If the LRE BOD would like to make a motion for the LRE CEO to sign the contract provided by MDHHS then please be prepared to discuss this followed by the appropriate motion.

Legislative Update:

Details can be found in the full Legislative Update attached to this report.

Report by Mary Marlatt-Dumas, CEO, Lakeshore Regional Entity

November 2024 Legislative Update - Narrative

This month, in lieu of the legislative grid, the LRE will be providing a narrative summary of notable legislative activities at the State and Federal levels.

With the outcome of this month's elections now confirmed, many changes will be expected in the coming months. The State Speaker of the House will be changing, Matt Hall will be taking over, and the party with control of the Michigan House of Representatives will be the Republicans. Democrats remain in control of the State Senate, meaning the State's government will be divided.

At the Federal Level, Republicans will now occupy the Executive Office and have majority in both the House and the Senate. Michigan did however elect Democrat Elissa Slotkin to the open Senate seat, replacing Democrat Debbie Stabenow.

The end of 2024 also marks the end of the current two-year legislative cycle at both the State and Federal levels, which means after the end of the year, any existing bills that have not been approved will have to be reintroduced in the new year if the interested parties would like them to continue.

The LRE would like to emphasize legislation that may have a chance to be passed before the end of the year.

The LRE would like to highlight the following bills as action items:

State Legislation:	Federal Legislation
<ul style="list-style-type: none">• HB 6002-6005• HB 6022 <p>Tobacco Free Michigan is requesting action on these bills which were discussed in the House Committee on Families, Children, and Seniors on November 12. These bills would create statewide tobacco licensure programs and restore local control on tobacco sales.</p> <p>Non-profit Tobacco Awareness Tobacco Free Michigan United States</p>	<ul style="list-style-type: none">• HR 7213 – Autism CARES Act of 2024 <p>This bill reauthorizes several programs that support autism education, research, and resources. Specifically, the bill reauthorizes through FY2029 (1) the Developmental Disabilities Surveillance and Research Program that is administered by the Centers for Disease Control and Prevention; (2) activities administered by the Department of Health and Human Services (HHS) to support autism education, early detection, and intervention; and (3) the Interagency Autism Coordinating Committee in HHS. It also updates and establishes various related reporting requirements, including by requiring the Government Accountability Office to report on how to increase the number of developmental-behavioral pediatricians through certain training programs.</p>

EXECUTIVE COMMITTEE SUMMARY

Wednesday, November 13, 2024, 1:00 PM

Present: Ron Bacon, Patricia Gardner, Janet Thomas, Richard Kanten, Craig Van Beek
LRE: Mary Marlatt-Dumas, Stephanie VanDerKooi, Stacia Chick

WELCOME and INTRODUCTIONS

- i. Review of November 13, 2024, Meeting Agenda
- ii. Review of October 16, 2024, Meeting Minutes
- iii. Review of October 29, 2024, Meeting Minutes

The November 13, 2024, agenda and the October 16 and October 29, 2024, meeting minutes are accepted as presented.

MDHHS/PIHP CONTRACT UPDATE

- i. Update
 - Currently, MDHHS has given no further updates or next steps.
 - Legal has advised PIHPs to wait for MDHHS' next steps before launching any type of media blitz.
 - Bob Sheehan met with Suzanne Owen (Director of Health Policy Committee) and brought with him the letter from the PIHPs explaining the timeline and history of the negotiations. The ask was to have MDHHS come back to the negotiation table for further discussion and to rescind the threat stated in their communication. Mr. Sheehan did inform Ms. Owen that the PIHPs had signed an amended version of the contract in a good faith effort. Ms. Owen is supposed to give a response today to Mr. Sheehan who will then communicate the response to the PIHP CEOs. If Mr. Sheehan does not hear back by the end of the week, he will reach out to her. Ms. Marlatt-Dumas will communicate any response back to the LRE Board.
- ii. Amendments
 - Ms. Marlatt-Dumas would like direction from the Board regarding a contract amendment approval process for the MDHHS/PIHP contract. The Executive Committee agrees that if the timeline is such that an amendment must be signed prior to a board meeting the expectation would be to contact the Executive Committee with explanation, sign the amendment and then ask for retroactive approval during the next Board meeting.
 - The reason this was an issue is due to an amendment (rate increase) that required signing prior to the November Board meeting. Ms. Marlatt-Dumas will bring this as an action item to the November Board meeting.

PIHP/CMHSP CONTRACT UPDATE

- There is one outstanding contract item around risk that needs further discussion. Four of the five CMHs have agreed to sign the contract as is. LRE legal had drafted a brief that was sent out. If the issues are not resolved by the Board meeting, Ms. Marlatt-Dumas will be asking the Board for the next steps, if this is not resolved.
- The Executive Committee recommends putting the problematic language of the contract in front of the Board next week to review the language and have N180 legal provide alternative language to LRE.
 - Mr. Ward comments that he believes it can be resolved and that N180 would be willing to sign the contract, although there is still problematic language that can be jointly worked on.
 - In addition to the risk, N180 has challenges with the liability caps. Network180 does not understand the rationale of increase/decrease of the cap during the fiscal year and would like further discussion. There would be a shifting of the liability cap based on the amount of Medicaid funds that have been paid out. If this cannot be resolved by the next Board, then Mr. Ward is willing to bring the contract to his Board on Monday (11/18) for approval to sign in good faith that the last 2 issues will continue to be worked on.
 - Ms. Gardner recommends having each organizational lawyer meet to discuss the language.

Action: Ms. VanDerKooi will reach out to Greg Moore (LRE legal) to schedule a meeting with Network180 legal.

BYLAWS AMENDMENT DISCUSSION

- There are 2 issues that have been found within the bylaws; 1) the bylaws do not address how special Board meetings are called and 2) wording for the officer election and term is annual and bi-annual, recommend changing wording to correspond as annual. LRE legal will draft an amendment that addresses both items.
- Ms. Gardner would like to know if there are any other amendments that should be considered.
 - Currently these are the outstanding items, if the Board would like a full review of the Bylaws that could be completed at a later date.

BOARD MEETING AGENDA ITEMS

- i. Bylaws Amendment
- ii. Action Items:
 - a. PIHP/MDHHS Contract Amendment
 - b. QAPIP Approval
 - The QAPIP needs annual Board approval. Wendi Price will be presenting this during the work session.
 - c. PIHP/CMHSP Contract
 - d. FY25 Risk Management Strategy Plan

- This document was discussed at the Finance ROAT who recommended moving it forward for CEO review. This will be reviewed by the Operations Committee (CMH CEOs) and then brought to the Board. The submission date is December 3.
 - Ms. Chick will include the draft document and add a cover sheet explaining that the information could change significantly as the final numbers have not yet been submitted due to timing.
- e. 2025 Board Meeting Schedule

BOARD WORK SESSION AGENDA

Work Session will begin at 11:00am.

- i. ISF Analysis Update – Jason Stading
 - An ISF analysis update will be completed annually
- ii. QAPIP – Wendi Price

OTHER

- i. Financial Status

The regional deficit has increased by about \$6.4 million actual from August to September totaling \$17.8 million. The projected deficit amount increased from \$18.8 million to \$21.5 million. Ottawa CMH has a \$4 million increase in their deficit due to increased utilization and delayed invoicing and agency billing issues due to pending contracts primarily around specialized residential. N180 and Ottawa are at about the same percentage regarding their deficit.

 - Mr. Brashears comments that they are in the middle of a root cause analysis and will have more information by the end of the week.
- ii. LRE/N180 RFP for UM Consultant

LRE/N180 have agreed on the scope of work and there is a person from each organization that is on the review of vendors. The RFP is being treated as an informal procurement and will be sent to preselected vendors. The goal is to send out by the end of this week. The target is to begin the analysis process at the earliest November or the latest December.

Action: Add approval to the Board Meeting. Mr. Ward to send action item language to LRE so that both are asking same approval as it is a joint contract.

UPCOMING MEETINGS

Reminder: November and December meetings are a week earlier due to Holidays.

- November 20, 2024 – LRE Executive Board Work Session, 11:00 AM
 GVSU, Muskegon Innovation Hub, 200 Viridian Dr, Muskegon, MI 49440

- November 20, 2024 – LRE Executive Board Meeting, 1:00 PM
GVSU, Muskegon Innovation Hub, 200 Viridian Dr, Muskegon, MI 49440
- December 11, 2024 – Executive Committee, 1:00PM
- December 18, 2024 – LRE Executive Board Work Session, 11:00 AM
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ADJOURN

**RESOLUTIONS
OF
[insert cmh name]
BOARD OF DIRECTORS**

BYLAW AMENDMENT

WHEREAS, Lakeshore Regional Entity (“LRE”) is a Regional Entity formed under Michigan’s Mental Health Code, 1974 P.A. 258 and more specifically, MCL 330.1204b

WHEREAS, LRE has previously adopted Bylaws as required by the Mental Health Code and most recently amended the Bylaws on August 10, 2022; and

WHEREAS, Article 15, Section 15.1 of the Bylaws permits further amendment of the Bylaws with a required “unanimous approval by vote of the existing CMHSP Members in the form of duly adopted written resolutions from their respective governing bodies;”

WHEREAS, [INSERT CMH NAME] is a CMHSP Member within the LRE;

WHEREAS, by vote of its governing body, [INSERT CMH NAME] supports and authorizes amendment of the LRE Bylaws in accordance with this Resolution

NOW, THEREFORE, BE IT RESOLVED, that the following Amendments of the LRE Bylaws are hereby approved and ratified in all respects, subject to unanimous approval by vote of the other existing CMHSP Members.

A NEW SECTION 4.6.1 shall be added to read as follows:

4.6.1 SPECIAL MEETINGS OF THE BOARD. In order to call a special meeting of the Board, there must be an exigent matter that is considered so urgent that action cannot reasonably be delayed to the next regular meeting. The Chairperson of the Board, or in absence of the Chairperson, the Vice Chairperson, may call special meetings of the Board. Upon petition of four (4) Board members, the Chairperson shall be required to call a special meeting of the Board. Notice by telephone and/or email of such special meetings shall be given to all members of the Board in advance as far as practicable, but no less than 18 hours prior to the meeting. In accordance with the Open Meetings Act, public notice stating the date, time, and place of the meeting shall be posted at least eighteen (18) hours prior to the meeting. Only such matters as are designated in the notice shall be considered at any special meeting.

CURRENT SECTIONS 6.2 and 6.3 shall be replaced with the following in order to be consistent with the current language in 6.1:

6.2 APPOINTMENT. The election of officers of the ENTITY will occur during the annual meeting of the Board of Directors. The ENTITY Board will appoint a nominating committee for the annual meeting for the purpose of recommending officer candidates to the full Board to serve during the next twelve (12) month period.

6.3 TERM OF OFFICE. The term of office of all officers will commence upon their election and continue for a one-year term. An officer may resign at any time upon written notice to the ENTITY Board of Directors. Notice of resignation is effective on receipt or at a time designated in the notice.

ACKNOWLEDGEMENT

The foregoing resolutions were adopted by the Board of Directors of [INSERT CMH] on at its regularly scheduled meeting on _____, 2024.

CHAIR, [CMH] Board of Directors _____

2025 EXECUTIVE BOARD MEETING SCHEDULE

Unless otherwise noted, all Lakeshore Regional Entity Board of Directors meetings are scheduled to begin at 1:00 PM. Unless otherwise noted, prior to each Board Meeting a Work Session is scheduled for 11:00 AM.

DATE	LOCATION	ADDRESS
January 22, 2025	Muskegon Innovation Hub	200 Viridian Dr., Muskegon, MI 49440
February 26, 2025	Muskegon Innovation Hub	200 Viridian Dr., Muskegon, MI 49440
March 26, 2025	Muskegon Innovation Hub	200 Viridian Dr., Muskegon, MI 49440
April 23, 2025	Muskegon Innovation Hub	200 Viridian Dr., Muskegon, MI 49440
May 28, 2025	Muskegon Innovation Hub	200 Viridian Dr., Muskegon, MI 49440
June 25, 2025	Muskegon Innovation Hub	200 Viridian Dr., Muskegon, MI 49440
July 23, 2025	Muskegon Innovation Hub	200 Viridian Dr., Muskegon, MI 49440
August 27, 2025	Muskegon Innovation Hub	200 Viridian Dr., Muskegon, MI 49440
September 24, 2025	Muskegon Innovation Hub	200 Viridian Dr., Muskegon, MI 49440
October 22, 2025	Muskegon Innovation Hub	200 Viridian Dr., Muskegon, MI 49440
November 19, 2025	Muskegon Innovation Hub	200 Viridian Dr., Muskegon, MI 49440
December 17, 2025	Muskegon Innovation Hub	200 Viridian Dr., Muskegon, MI 49440

Mary Marlatt Dumas, CEO
Cell Phone: 231-638-8625
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Marion Dyga, Executive Assistant
Office: 231-769-2052, Cell: 231-215-7224
Email: mariond@lsre.org

Lakeshore Regional Entity Board Financial Officer Report for November 2024 11/20/2024

- **Disbursements Report** – A motion is requested to approve the October 2024 disbursements. A summary of those disbursements is included as an attachment.
- **Statement of Activities** – Report through September is included as an attachment.
- **LRE Combined Monthly FSR** – The September LRE Combined Monthly FSR Report is included as an attachment for this month’s meeting. Expense projections, as reported by each CMHSP, are noted. An actual **deficit** through September of \$17.8 million, a projected annual **deficit** of \$21.4 million, and a budgeted **deficit** of \$486 thousand regionally (Medicaid and HMP, excluding CCBHC) is shown in this month’s report. All CMHSPs have an actual **surplus** except Network180 who has a **deficit** of \$17.4 million, and CMH of Ottawa County with a **deficit** of \$5.6 million. HealthWest, OnPoint, and West Michigan CMH have projected **surpluses**. Network180 has a projected **deficit** of \$19.8 million, and CMH of Ottawa County \$5.4 million. All CMHSPs have a budgeted **surplus**, except Network180 with a budgeted **deficit** of \$7 million.

CCBHC activity (excluding PIHP activity) is included in this month’s report showing an actual **deficit** of \$3.4 million (excluding LRE activity), which is the responsibility of the CCBHCs and not the PIHP. A projected **deficit** of \$8.3 million and a budgeted **surplus** of \$3.6 million is shown.

The LRE Executive Committee, LRE Leadership, and Network180 Leadership are expected to continue to meet to address the deficit that Network180 is experiencing.

LRE Leadership has also begun discussions with CMH of Ottawa County Leadership to address their actual and projected deficit that increased by \$4 million since last month’s report. CMH of Ottawa County Leadership is committed to addressing the issue in a prompt manner. CMHOC is in the process of completing a root cause analysis and developing a deficit reduction plan that they anticipate to close the deficit by the end of fiscal year 2025.

- **Cash Flow Issues** – On October 29, 2024, Network180 reported a cash flow issue. Network180 already had a cash advance agreement with LRE in the amount of \$8,152,848. A second cash advance agreement was entered into for an additional \$8 million (\$4 million paid 11/12/24, with up to an additional \$4 million to be paid if needed and agreed upon by both parties at a later date). The total cash advancement to Network180 is currently \$12,152,848.
- **FY 2022 MDHHS Cost Settlement** – LRE does not agree with MDHHS’ Cost Settlement for FY22. At this time, MDHHS is discussing the issue internally, LRE has not yet taken any additional action, and there is no additional update from MDHHS since last month’s report.

- FY 2025 Rate Setting** – PIHP received the final rate certification letter from MDHHS at the end of September. There was a significant recoupment done by MDHHS in October related to FY24, which required a revision of the FY25 Revenue Projections. The revised projected increase in revenues for the Members in the region based on those final rates is \$11.3 million (\$3.5 million decrease in traditional Medicaid fund sources and \$14.8 million increase in CCBHC fund sources) as follows:

	FY25 Initial Projection (Estimated Rates)		October - Revised (formula corrections)		YTD Change from Initial Projection		CMHSPs Breakdown of YTD Change		
							MCD, HMP, Autism & Waivers	CCBHC - Base Cap & Supplemental	Net Total
OnPoint	\$ 39,310,267	\$ 41,263,800	\$ (2,461)	0.0%	\$ 1,953,533	5.0%	\$ (648,706)	\$ 2,602,240	\$ 1,953,533
HealthWest	\$ 90,762,761	\$ 95,641,167	\$ (4,658)	0.0%	\$ 4,878,407	5.4%	\$ 990,211	\$ 3,888,196	\$ 4,878,407
Network180	\$ 200,607,414	\$ 204,661,659	\$ (14,155)	0.0%	\$ 4,054,245	2.0%	\$ (4,614,585)	\$ 8,668,829	\$ 4,054,245
Ottawa	\$ 59,198,098	\$ 58,886,593	\$ (4,809)	0.0%	\$ (311,505)	-0.5%	\$ 786,435	\$ (1,097,940)	\$ (311,505)
West Michigan	\$ 32,985,149	\$ 33,758,411	\$ (1,328)	0.0%	\$ 773,262	2.3%	\$ 31,597	\$ 741,665	\$ 773,262
Total	\$ 422,863,689	\$ 434,211,630	\$ (27,410)	0.0%	\$ 11,347,942	2.7%	\$ (3,455,049)	\$ 14,802,990	\$ 11,347,942

- FY 2025 CMHSP Spending Plans/Budgets** – FY 2025 CMHSP Spending Plans/Budgets are due to LRE by November 15, 2024. Additional information will be provided after all of the plans have been received.

- FY 2025 Revenue Projections** – Updated revenue and membership projections by program and Member CMHSP are below. The FY25 October revenue projection increased \$11.4 million from the initial FY25 projections used for the budget. The initial projections were based on estimated capitation rate changes and FY24 CCBHC PPS-1 rates, as final rates were not yet available. The October Medicaid, Healthy Michigan, and Waiver projections are based on final FY25 rates and actual revenue received from MDHHS in October. CCBHC projections are based on MDHHS’s FY25 PPS-1 rates and projected utilization (daily visits) provided by the CCBHCs.

The October projections include OnPoint and Ottawa’s revised daily visit projections. OnPoint increased their projected SMI/SED/SUD daily visits by 22.4% and Mild-to-Moderate projections 34.6%. These changes shifted \$590,294 of OnPoint’s base capitation from traditional Medicaid & HMP to CCBHC and increased supplemental revenue \$1.76 million. Ottawa increased SMI/SED/SUD daily visit projections 16.8% and decreased Mild-to Moderate 4.4%. This shifted \$440,884 of Ottawa’s base capitation from traditional Medicaid & HMP to CCBHC and increased supplemental revenue \$449,073.

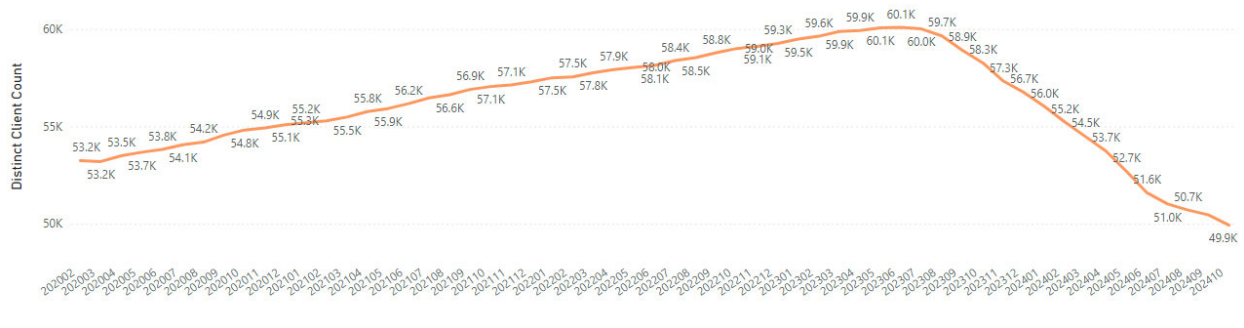
FY 2025 Revenue Projection							
Total LRE			CMHSPs Breakdown (Net of CCBHC)				
	FY25 Initial Budget Projection	FY25 Current Budget Projection	FY25 Initial to Current Change		FY25 Initial Budget Projection	FY25 Current Budget Projection	FY25 Initial to Current Change
MCD - MH	\$ 208,240,822	\$ 201,475,537	\$ (6,765,285) -3.25%	MCD - MH			
MCD - SUD	\$ 8,162,709	\$ 7,766,541	\$ (396,167) -4.85%	OnPoint	\$ 16,864,811	\$ 16,193,061	\$ (671,750)
HMP - MH	\$ 17,311,272	\$ 16,713,689	\$ (597,583) -3.45%	Healthwest	\$ 40,261,507	\$ 39,974,806	\$ (286,701)
HMP - SUD	\$ 11,157,718	\$ 10,778,400	\$ (379,318) -3.40%	Network180	\$ 109,602,547	\$ 104,108,704	\$ (5,493,843)
Autism	\$ 47,599,001	\$ 52,107,882	\$ 4,508,882 9.47%	Ottawa	\$ 28,657,374	\$ 28,659,333	\$ 1,959
Waiver	\$ 56,582,505	\$ 56,756,928	\$ 174,423 0.31%	West Michigan	\$ 12,854,583	\$ 12,539,634	\$ (314,950)
CCBHC MCD Base Cap	\$ 23,389,790	\$ 28,194,001	\$ 4,804,211 20.54%	Total MCD - MH	\$ 208,240,822	\$ 201,475,537	\$ (6,765,285)
CCBHC HMP Base Cap	\$ 6,046,769	\$ 7,833,989	\$ 1,787,220 29.56%	MCD - SUD			
CCBHC MCD Supplementa	\$ 34,550,918	\$ 40,307,065	\$ 5,756,148 16.66%	OnPoint	\$ 653,507	\$ 612,185	\$ (41,322)
CCBHC HMP Supplementa	\$ 9,822,186	\$ 12,277,597	\$ 2,455,412 25.00%	Healthwest	\$ 1,657,313	\$ 1,595,935	\$ (61,378)
LRE Admin	\$ 13,922,556	\$ 13,922,556	\$ - 0.00%	Network180	\$ 4,253,796	\$ 4,002,648	\$ (251,148)
ISF	\$ -	\$ -	\$ -	Ottawa	\$ 1,057,081	\$ 1,027,390	\$ (29,691)
IPA	\$ 3,585,824	\$ 3,682,054	\$ 96,230 2.68%	West Michigan	\$ 541,012	\$ 528,385	\$ (12,628)
Total Region	\$ 440,372,070	\$ 451,816,241	\$ 11,444,172 2.60%	Total MCD - SUD	\$ 8,162,709	\$ 7,766,541	\$ (396,167)
Total CMHSPs				HMP - MH			
	FY25 Initial Budget Projection	FY25 Current Budget Projection	FY25 Initial to Current Change	OnPoint	\$ 1,226,108	\$ 1,157,474	\$ (68,634)
OnPoint	\$ 39,310,267	\$ 41,263,800	\$ 1,953,533 4.97%	Healthwest	\$ 2,989,777	\$ 3,102,424	\$ 112,647
Healthwest	\$ 90,762,761	\$ 95,641,167	\$ 4,878,407 5.37%	Network180	\$ 9,632,693	\$ 8,786,151	\$ (846,542)
Network180	\$ 200,607,414	\$ 204,661,659	\$ 4,054,245 2.02%	Ottawa	\$ 2,793,323	\$ 2,910,441	\$ 117,118
Ottawa	\$ 59,198,098	\$ 58,886,593	\$ (311,505) -0.53%	West Michigan	\$ 669,371	\$ 757,200	\$ 87,829
West Michigan	\$ 32,985,149	\$ 33,758,411	\$ 773,262 2.34%	Total HMP - MH	\$ 17,311,272	\$ 16,713,689	\$ (597,583)
Total CMHSPs	\$ 422,863,689	\$ 434,211,630	\$ 11,347,942 2.68%	HMP - SUD			
Average PMPM				OnPoint	\$ 805,992	\$ 763,976	\$ (42,017)
	FY25 Initial Budget Projection	FY25 Current Budget Projection	FY25 Initial to Current Change	Healthwest	\$ 1,996,379	\$ 2,082,984	\$ 86,605
OnPoint	\$ 159.41	\$ 165.00	\$ 5.59	Network180	\$ 6,176,263	\$ 5,620,023	\$ (556,240)
Healthwest	\$ 159.72	\$ 164.58	\$ 4.86	Ottawa	\$ 1,722,885	\$ 1,795,797	\$ 72,912
Network180	\$ 130.93	\$ 129.29	\$ (1.64)	West Michigan	\$ 456,198	\$ 515,620	\$ 59,422
Ottawa	\$ 133.06	\$ 129.85	\$ (3.21)	Total HMP - SUD	\$ 11,157,718	\$ 10,778,400	\$ (379,318)
West Michigan	\$ 160.43	\$ 160.54	\$ 0.11	Autism			
Total CMHSPs	\$ 141.07	\$ 141.07	\$ 0.00	OnPoint	\$ 4,198,155	\$ 4,447,909	\$ 249,754
Member Month Projection				Healthwest	\$ 9,643,002	\$ 10,521,529	\$ 878,527
	FY25 Initial Budget Projection	FY25 Current Budget Projection	FY25 Initial to Current Change	Network180	\$ 23,969,281	\$ 26,558,030	\$ 2,588,749
OnPoint	246,600	250,078	3,478	Ottawa	\$ 6,980,987	\$ 7,551,811	\$ 570,823
Healthwest	568,250	581,108	12,858	West Michigan	\$ 2,807,575	\$ 3,028,603	\$ 221,028
Network180	1,532,219	1,582,995	50,776	Total Autism	\$ 47,599,001	\$ 52,107,882	\$ 4,508,882
Ottawa	444,895	453,489	8,594	Waiver			
West Michigan	205,608	210,285	4,678	OnPoint	\$ 6,363,966	\$ 6,289,228	\$ (74,738)
Total Member Months	2,997,571	3,077,955	80,384	Healthwest	\$ 12,978,790	\$ 13,239,301	\$ 260,511
				Network180	\$ 23,778,918	\$ 23,723,358	\$ (55,560)
				Ottawa	\$ 9,457,872	\$ 9,511,186	\$ 53,314
				West Michigan	\$ 4,002,959	\$ 3,993,855	\$ (9,104)
				Total Waiver	\$ 56,582,505	\$ 56,756,928	\$ 174,423

CMHSPs Breakdown - CCBHC			
	FY25 Initial Budget Projection	FY25 Current Budget Projection	FY25 Initial to Current Change
MCD - CCBHC Base Capitation			
OnPoint	\$ 1,881,018	\$ 2,524,398	\$ 643,380
Healthwest	\$ 6,336,673	\$ 6,135,958	\$ (200,715)
Network180	\$ 8,529,158	\$ 13,333,008	\$ 4,803,850
Ottawa	\$ 2,763,358	\$ 2,395,123	\$ (368,235)
West Michigan	\$ 3,879,583	\$ 3,805,514	\$ (74,069)
Total	\$ 23,389,790	\$ 28,194,001	\$ 4,804,211
HMP - CCBHC Base Capitation			
OnPoint	\$ 532,594	\$ 696,647	\$ 164,053
Healthwest	\$ 1,608,943	\$ 1,557,980	\$ (50,963)
Network180	\$ 1,826,960	\$ 3,625,057	\$ 1,798,097
Ottawa	\$ 662,433	\$ 667,757	\$ 5,324
West Michigan	\$ 1,415,840	\$ 1,286,549	\$ (129,291)
Total	\$ 6,046,769	\$ 7,833,989	\$ 1,787,220
MCD - CCBHC Supplemental Revenue			
OnPoint	\$ 5,071,207	\$ 6,571,487	\$ 1,500,280
Healthwest	\$ 10,199,499	\$ 13,427,898	\$ 3,228,399
Network180	\$ 10,691,851	\$ 11,597,635	\$ 905,784
Ottawa	\$ 3,930,417	\$ 3,247,941	\$ (682,476)
West Michigan	\$ 4,657,943	\$ 5,462,104	\$ 804,161
Total	\$ 34,550,918	\$ 40,307,065	\$ 5,756,148
HMP - CCBHC Supplemental Revenue			
OnPoint	\$ 1,712,909	\$ 2,007,436	\$ 294,526
Healthwest	\$ 3,090,877	\$ 4,002,352	\$ 911,475
Network180	\$ 2,145,946	\$ 3,307,045	\$ 1,161,098
Ottawa	\$ 1,172,369	\$ 1,119,816	\$ (52,553)
West Michigan	\$ 1,700,084	\$ 1,840,949	\$ 140,865
Total	\$ 9,822,186	\$ 12,277,597	\$ 2,455,412

- Financial Data/Charts** – The charts below show regional eligibility trends by population. The number of Medicaid eligible individuals in our region determines the amount of revenue the LRE receives each month. Data is shown for February 2020 – October 2024 (Eligibility Refresh Date 11/3/24, data as of 11/8/24). The LRE also receives payments for other individuals who are not listed on these charts but are eligible for behavioral health services (i.e. individuals enrolled and eligible for the Habilitation Supports Waiver (HSW) program. Due to the end of the PHE, Medicaid eligibility redeterminations resumed in July 2023.

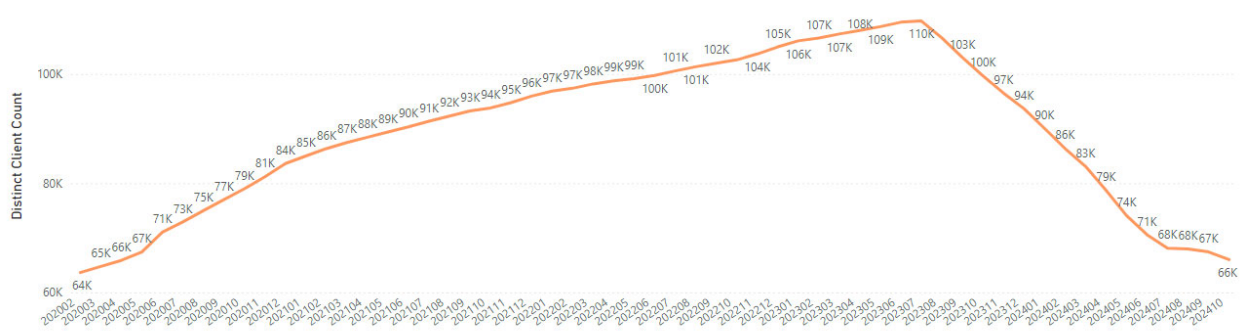
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Eligibility - Number of Consumers by Month



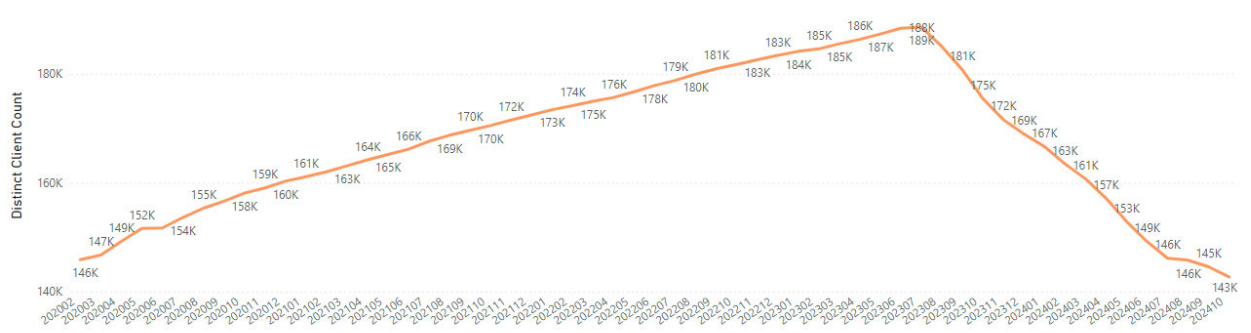
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Eligibility - Number of Consumers by Month



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Eligibility - Number of Consumers by Month



- **Legal Expenses** – Below, this chart contains legal expenses of the LRE that have been billed to the LRE to date for FY2022 through FY2025.

LAKESHORE REGIONAL ENTITY LEGAL EXPENSES REPORT October 31, 2024		
4/30/2022	BYLAWS/OPERATING AGREEMENT	5,700.00
7/28/2022	BYLAWS/OPERATING AGREEMENT	6,500.00
	BYLAWS/OPERATING AGREEMENT TOTAL	12,200.00
11/30/2021	CCHBC SUPPORT	812.50
	CCHBC SUPPORT TOTAL	812.50
2/11/2022	GENERAL/OTHER	325.00
1/16/2023	GENERAL/OTHER	10,000.00
2/3/2023	GENERAL/OTHER	250.00
12/20/2023	GENERAL/OTHER	5,000.00
1/31/2024	GENERAL/OTHER	5,000.00
2/29/2024	GENERAL/OTHER	5,000.00
3/31/2024	GENERAL/OTHER	5,000.00
4/8/2024	GENERAL/OTHER	5,000.00
5/22/2024	GENERAL/OTHER	5,000.00
6/28/2024	GENERAL/OTHER	5,000.00
7/30/2024	GENERAL/OTHER	5,000.00
7/31/2024	GENERAL/OTHER	5,000.00
8/31/2024	GENERAL/OTHER	5,000.00
	GENERAL/OTHER TOTAL	60,575.00
10/31/2021	HEALTHWEST LITIGATION	5,368.74
3/31/2022	HEALTHWEST LITIGATION	2,016.00
4/30/2022	HEALTHWEST LITIGATION	9,388.80
6/24/2022	HEALTHWEST LITIGATION	13,782.40
3/31/2023	HEALTHWEST LITIGATION	6,992.00
4/30/2023	HEALTHWEST LITIGATION	3,728.00
11/30/2023	HEALTHWEST LITIGATION	281.60
1/31/2024	HEALTHWEST LITIGATION	105.60
	HEALTHWEST LITIGATION TOTAL	41,663.14
10/31/2021	MANAGED CARE/MDHHS CONTRACT	17,058.00
11/30/2021	MANAGED CARE/MDHHS CONTRACT	9,992.00
12/31/2021	MANAGED CARE/MDHHS CONTRACT	5,202.00
1/25/2022	MANAGED CARE/MDHHS CONTRACT	23,501.31
2/17/2022	MANAGED CARE/MDHHS CONTRACT	9,280.00
2/17/2022	MANAGED CARE/MDHHS CONTRACT	17,125.00
2/28/2022	MANAGED CARE/MDHHS CONTRACT	20,051.20
2/28/2022	MANAGED CARE/MDHHS CONTRACT	6,312.50
3/31/2022	MANAGED CARE/MDHHS CONTRACT	4,032.00
4/11/2022	MANAGED CARE/MDHHS CONTRACT	421.50
6/24/2022	MANAGED CARE/MDHHS CONTRACT	2,863.57
7/25/2022	MANAGED CARE/MDHHS CONTRACT	6,788.23
8/22/2022	MANAGED CARE/MDHHS CONTRACT	1,437.50
8/25/2022	MANAGED CARE/MDHHS CONTRACT	16,806.40
9/29/2022	MANAGED CARE/MDHHS CONTRACT	20,832.00
9/30/2022	MANAGED CARE/MDHHS CONTRACT	23,104.65
10/31/2022	MANAGED CARE/MDHHS CONTRACT	9,307.00
11/30/2022	MANAGED CARE/MDHHS CONTRACT	33,792.00
11/30/2022	EARLY PAYMENT DISCOUNT	(5,068.80)
12/31/2022	MANAGED CARE/MDHHS CONTRACT	31,494.10
1/31/2023	MANAGED CARE/MDHHS CONTRACT	25,683.40
2/28/2023	MANAGED CARE/MDHHS CONTRACT	7,472.60
3/31/2023	MANAGED CARE/MDHHS CONTRACT	3,371.20
4/30/2023	MANAGED CARE/MDHHS CONTRACT	16,563.20
5/31/2023	MANAGED CARE/MDHHS CONTRACT	5,928.00
6/30/2023	MANAGED CARE/MDHHS CONTRACT	12,537.60
7/31/2023	MANAGED CARE/MDHHS CONTRACT	7,768.80
7/31/2023	EARLY PAYMENT DISCOUNT	(3,321.04)
8/31/2023	MANAGED CARE/MDHHS CONTRACT	1,302.40
9/30/2023	MANAGED CARE/MDHHS CONTRACT	2,810.40
10/31/2023	MANAGED CARE/MDHHS CONTRACT	3,547.20
11/30/2023	MANAGED CARE/MDHHS CONTRACT	563.20
12/31/2023	MANAGED CARE/MDHHS CONTRACT	5,000.00
2/29/2024	MANAGED CARE/MDHHS CONTRACT	76.00
	MANAGED CARE/MDHHS CONTRACT TOTAL	346,635.12
2/28/2023	NETWORK 180 LITIGATION	2,674.00
3/31/2023	NETWORK 180 LITIGATION	29,167.33
4/30/2023	NETWORK 180 LITIGATION	105.60
5/31/2023	NETWORK 180 LITIGATION	2,283.20
6/30/2023	NETWORK 180 LITIGATION	13,840.80
7/31/2023	NETWORK 180 LITIGATION	3,665.60
8/31/2023	NETWORK 180 LITIGATION	1,137.60
3/31/2024	NETWORK 180 LITIGATION	1,154.40
	NETWORK 180 LITIGATION TOTAL	54,028.53
	GRAND TOTAL	5 515,914.29



BOARD ACTION REQUEST
Subject: October 2024 Disbursements
Meeting Date: November 20, 2024

RECOMMENDED MOTION:

To approve the October 2024 disbursements of \$43,144,818.63 as presented.

SUMMARY OF REQUEST/INFORMATION:

Disbursements:	
Allegan County CMH	\$3,406,509.59
Healthwest	\$7,114,428.65
Network 180	\$24,627,710.77
Ottawa County CMH	\$4,806,232.13
West Michigan CMH	\$2,229,361.58
SUD Prevention Expenses	\$117,139.78
Hospital Reimbursement Adjuster (HRA)	\$4,976.00
SUD Public Act 2 (PA2)	\$157,066.30
Administrative Expenses	\$686,369.83
Total:	\$43,144,818.63

98.05% of Disbursements were paid to Members and SUD Prevention Services.

I affirm that all payments identified in the monthly summary above are for previously appropriated amounts.

STAFF: *Stacia Chick* **DATE:** *11/12/2024*



Statement of Activities - Actual vs. Budget
Fiscal Year 2023/2024
 As of Date: 9/30/24

Change in Net Assets	Year Ending 9/30/2024	9/30/2024		
	FY24 Budget <i>Amendment 3</i>	Budget to Date	Actual	Actual to Budget Variance
Operating Revenues				
Medicaid, HSW, SED, & Children's Waiver	280,688,857	280,688,857	279,712,779	(976,078)
DHS Incentive	471,247	471,247	342,581	(128,666)
Autism Revenue	45,012,518	45,012,518	47,056,482	2,043,964
Healthy Michigan	29,243,058	29,243,058	32,731,306	3,488,248
Performance Bonus Incentive	2,819,234	2,819,234	2,928,484	109,250
CCBHC Quality Bonus Incentive	1,745,775	1,745,775	4,307,833	2,562,058
Hospital Rate Adjuster (HRA)	18,820,061	18,820,061	14,115,046	(4,705,015)
Member Local Contribution to State Medicaid	1,007,548	1,007,548	1,007,548	-
Medicaid CCBHC Base Capitation	23,291,192	23,291,192	22,940,738	(350,454)
Healthy Michigan CCBHC Base Capitation	6,453,534	6,453,534	6,251,784	(201,750)
Medicaid CCBHC Supplemental Revenue	33,076,313	33,076,313	24,850,412	(8,225,901)
Healthy MI CCBHC Supplemental Revenue	10,214,490	10,214,490	11,611,491	1,397,001
CCBHC General Funds	507,267	507,267	507,267	-
MDHHS Grants	13,975,354	13,975,354	11,868,797	(2,106,557)
PA 2 Liquor Tax	3,748,366	3,748,366	4,324,045	575,680
Non-MDHHS Grants: DFC	141,701	141,701	142,112	411
Interest Earnings	1,354,059	1,354,059	1,631,987	277,928
Miscellaneous Revenue	4,000	4,000	3,000	(1,000)
Total Operating Revenues	472,574,574	472,574,574	466,333,691	(6,240,883)
Expenditures				
Salaries and Fringes	4,570,860	4,570,860	4,595,291	24,431
Office and Supplies Expense	245,339	245,339	188,286	(57,053)
Contractual and Consulting Expenses	584,484	584,484	584,287	(197)
Managed Care Information System (PCE)	295,200	295,200	295,200	-
Legal Expense	65,893	65,893	60,893	(5,000)
Utilities/Conferences/Mileage/Misc Exps	428,831	428,831	285,228	(143,604)
Grants - MDHHS & Non-MDHHS	613,800	613,800	595,896	(17,904)
Hospital Rate Adjuster / Taxes	23,050,327	23,050,327	18,973,605	(4,076,722)
Prevention Expenses - Grant & PA2	3,813,429	3,813,429	3,478,537	(334,892)
CCBHC Quality Bonus Incentive	1,745,775	1,745,775	2,597,297	851,522
Member Payments - Medicaid/HMP	351,227,154	351,227,154	341,657,264	(9,569,890)
Member Payments - CCBHC Capitation	29,744,727	29,744,727	29,192,524	(552,203)
Member Payments - CCBHC Supplemental	43,290,803	43,290,803	42,357,001	(933,801)
Member Payments - CCBHC GF & Grants	507,267	507,267	507,267	-
Member Payments - PA2 Treatment	1,956,008	1,956,008	895,756	(1,060,252)
Member Payments - Grants	9,427,130	9,427,130	7,823,593	(1,603,537)
Local Contribution to State Medicaid	1,007,548	1,007,548	1,007,548	-
Total Expenditures	472,574,574	472,574,574	455,095,475	(17,479,100)
Total Change in Net Assets	(0)	(0)	11,238,216	11,238,216



Statement of Activities
Budget to Actual Variance Report
 For the Period ending September 30, 2024

As of Date: 9/30/24

Operating Revenues

Medicaid/HSW/SED/CWP	N/A - Closely aligned with the current budget projections.
DHS Incentive	This revenue is received quarterly beginning in April. Quarter 1-3 has been received. Additional revenue for quarter 4 will be received in January 2025.
Autism Revenue	Current projections reflect an increase due to the FY24 September retroactive rate adjustment.
Healthy Michigan	Current projections reflect an increase due to the FY24 September retroactive rate adjustment.
Performance Bonus Incentive	N/A - Closely aligned with the current budget projections.
CCBHC Quality Bonus	Additional FY23 revenue was received in FY24 that was not anticipated.
Hospital Rate Adjuster	Revenue is received quarterly. Quarter 4 revenue not received until November 2024.
Member Local Match Revenue	N/A - Closely aligned with the current budget projections.
Medicaid CCBHC Base Capitation	N/A - Closely aligned with the current budget projections.
Healthy MI CCBHC Base Capitation	N/A - Closely aligned with the current budget projections.
Medicaid CCBHC Supplemental Revenue	Expecting a CCBHC Cost Settlement from MDHHS of about \$11 million in additional revenue.
Healthy MI CCBHC Supplemental Revenue	Expecting a CCBHC Cost Settlement from MDHHS of about \$1.4 million less revenue.
MDHHS Grants	MDHHS grant reimbursements are typically 45 days in arrears and SUD grant payments are received quarterly. Grant lapses are also projected for FY24.
PA 2 Liquor Tax	PA2 revenues are received quarterly, after the Department of Treasury issues payments to the counties. Initial payments were received in the 2nd quarter.
Non-MDHHS Grants: DFC	N/A - Closely aligned with the current budget projections.
Interest Revenue	Additional interest earned on deposits and investments.
Miscellaneous Revenue	Revenue may be received throughout the year, but the budgeted amount is not guaranteed.

Expenditures

Salaries and Fringes	N/A - Closely aligned with the current budget projections.
Office and Supplies	Currently under budget. Additional expenses may still be incurred for FY24.
Contractual/Consulting	N/A - Closely aligned with the current budget projections.
Managed Care Info Sys	N/A - Closely aligned with the current budget projections.
Legal Expense	Expected to be closely aligned with the current budget projections after final bill is received.
Utilities/Conf/Mileage/Misc	This line item includes the LRE's contingency fund. Adjustments were made on amend 3.
Grants - MDHHS & Non-MDHHS	N/A - Closely aligned with the current budget projections.
HRA/Taxes	IPA & HRA taxes are paid quarterly. Quarter 4 payment will be paid in November 2024.
Prevention Exps - Grant/PA2	Final billings are due toward the end of November. Only a few lapses are projected for FY24.
Member Med/HMP Payments	N/A - Closely aligned with the current budget projections.
Member CCBHC Capitation	N/A - Closely aligned with the current budget projections.
Member CCBHC Supplemental	N/A - Closely aligned with the current budget projections.
Member PA2 Tx Payments	Billings against this line item typically occur after other grant funding is applied. Budgets were based on projections and some providers expect to be under.
Member Grant Payments	Most of these payments are billed to the LRE and paid by MDHHS 45 days in arrears. In addition, as noted above, some grant lapses are projected for FY24.
Local Contribution to State Medicaid	N/A - Closely aligned with the current budget projections.

For internal use only. This report has not been audited, and no assurance is provided.

Lakeshore Regional Entity Combined Monthly FSR Summary
FY 2024
September 2024 Reporting Month
Reporting Date: 11/12/24

ACTUAL:	HealthWest	Network180	OnPoint	Ottawa	West Michigan	LRE	Total
Total Distributed Medicaid/HMP Revenue	67,974,580	173,774,310	29,354,081	49,362,002	20,731,253	6,526,544	347,722,770
Total Capitated Expense	64,939,109	191,192,130	27,544,810	54,977,864	20,307,887	6,526,544	365,488,344
Actual Surplus (Deficit)	3,035,471	(17,417,820)	1,809,271	(5,615,862)	423,366	-	(17,765,574)
% Variance	4.47%	-10.02%	6.16%	-11.38%	2.04%	0.00%	
Information regarding Actual (Threshold: Surplus of 5% and deficit of 1%)	Less than threshold for explanation.	Network180 is experiencing increase demands in autism and specialized residential services. Additionally, revenue projections fell for the first nine months of the year. Even with the increased revenue rates, in order to serve individuals as required.	Surplus is due to higher than projected services being categorized as CCBHC. Further, OnPoint has intentionally held on certain expenditures and adding of new positions due to declining revenue projections. We expect this surplus to continue to reduce in future months, with the steep decline in enrollment. Note: Last month 7.01%	Current Year End (YE) actuals at +11% for traditional Medicaid (MCD) and HMP. CMHOC has experienced increased utilization in autism and specialized residential services. Significant increase over prior month due to delayed invoicing, agency billing issues and pending contracts. Do not anticipate additional significant increases with YE closing.	We anticipate that the excess will reduce as we have more retro Medicaid coverage for persons with a deductible.	Less than threshold for explanation.	
PROJECTION:	HealthWest	Network180	OnPoint	Ottawa	West Michigan	LRE	Total
LRE Revenue Projections as of: <i>September Revised</i>							
Total Projected Medicaid/HMP Revenue	68,585,341	173,284,795	29,577,262	49,691,480	20,429,523	13,922,556	355,490,957
Total Capitated Expense Projections	66,320,792	193,104,051	28,371,154	55,132,789	20,066,511	13,922,556	376,917,854
Projected Surplus (Deficit)	2,264,549	(19,819,256)	1,206,108	(5,441,309)	363,012	-	(21,426,897)
% Variance	3.30%	-11.44%	4.08%	-10.95%	1.78%	0.00%	
Information regarding Projections (Threshold: Surplus of 5% and deficit of 1%)	Less than threshold for explanation.	Network180 is experiencing increase demands in autism and specialized residential services. Additionally, revenue projections fell for the first nine months of the year. Even with the increased revenue rates, in order to serve individuals as required.	Variance is due to increase in revenue projections, due to retro-rate increase.	Current YE actuals at 10% for projected traditional MCD and HMP. CMHOC has experienced increased utilization in autism and specialized residential service resulting in deficit.	Less than threshold for explanation.	Less than threshold for explanation.	
PROPOSED SPENDING PLAN: Submitted to the LRE as of:	HealthWest 11/11/2023	Network180 9/22/2023	OnPoint 6/7/2024	Ottawa 8/16/2024	West Michigan 8/12/2024	LRE	Total
Medicaid/HMP Revenue			DRAFT ONLY - NOT ACCEPTED AS FINAL				
Total Budgeted Medicaid/HMP Revenue	69,625,245	166,119,203	29,788,300	50,550,063	20,438,999	13,922,556	350,444,367
Total Budgeted Capitated Expense	64,957,020	173,091,232	28,688,702	50,204,488	20,066,511	13,922,556	350,930,510
Budgeted Surplus (Deficit)	4,668,225	(6,972,029)	1,099,598	345,575	372,488	-	(486,143)
% Variance	6.70%	-4.20%	3.69%	0.68%	1.82%	0.00%	
Information regarding Spending Plans (Threshold: Surplus of 5% and deficit of 1%)	This is aligning with our planned surplus to account for historic year end shifts.	Network180 has significant unmet service need in autism and specialized residential services and a very fragile provider network. In order to maintain a provider network to provide required services, rate increases from 3-5% are necessary. Additionally, revenue projections continue to fall monthly as enrollment trends downward.	Less than threshold for explanation.	Less than threshold for explanation.	Less than threshold for explanation.	Less than threshold for explanation.	
Variance between Projected and Proposed Spending Plan	(2,403,676)	(12,847,227)	106,510	(5,786,884)	(9,477)	-	(20,940,755)
% Variance	-3.45%	-7.73%	0.36%	-11.45%	-0.05%	0.00%	
Explanation of variances between Projected and Proposed Spending Plan (Threshold: Surplus of 5% and deficit of 1%)	Planned surplus in the spending plan to account for historic year end shifts.	Network180 is experiencing increase demands in autism and specialized residential services. In order to serve individuals as required, expenses will exceed distributed revenue.	Less than threshold for explanation.	CMHOC has experienced unanticipated increased utilization in autism and specialized residential services.	Less than threshold for explanation.	Less than threshold for explanation.	

Lakeshore Regional Entity Combined Monthly FSR Summary
FY 2024
September 2024 Reporting Month
Reporting Date: 11/12/24

CCBHC ACTIVITY							
	HealthWest	Network180	OnPoint	Ottawa	West Michigan	LRE	Total
ACTUAL:							
Distributed Medicaid/HMP CCBHC Revenue							
Total Distributed Medicaid/HMP CCBHC Revenue	21,958,951	22,545,418	10,722,122	6,991,221	11,734,874	1,066,583	74,973,694
Capitalized CCBHC Expense							
Medicaid CCBHC	19,512,242	18,806,671	6,568,498	5,309,284	8,841,748	71,033	59,109,476
Healthy Michigan CCBHC	6,528,825	5,101,763	2,065,704	1,681,936	2,941,731	22,042	18,342,001
Total CCBHC Expense	26,041,067	23,908,434	8,634,203	6,991,220	11,783,479	93,074	77,451,477
Actual CCBHC Surplus (Deficit)	(4,082,116)	(1,363,016)	2,087,920	1	(48,605)	973,509	(2,477,783)
% Variance	-18.59%	-6.05%	19.47%	0.00%	-0.41%	91.27%	
Information regarding CCBHC Actual (Threshold: Surplus of 5% and deficit of 1%)	CCBHC costs continue to remain higher than the PPS payment. The FY25 increase will assist with this along with a KATA project we have to analyze the expenses and productivity. LRE Note: Deficit is the responsibility of the CCBHC and not the PIHP.	As Network180 continues to implement CCBHC, daily visits have not ramped up during the first few months, but we expect this to stabilize over the year. LRE Note: Deficit is the responsibility of the CCBHC and not the PIHP.	OnPoint has provided more daily visits than projected, resulting in higher revenue and surplus. LRE Note: Surplus is retained by the CCBHC and not the PIHP.	Less than threshold for explanation.	Less than threshold for explanation. LRE Note: Deficit is the responsibility of the CCBHC and not the PIHP.	Surplus is used to cover PIHP administration on traditional capitation administration expenses.	
PROJECTION:							
Total Projected Medicaid/HMP CCBHC Revenue	21,235,992	22,239,928	9,197,728	6,009,401	11,769,594	1,066,583	71,490,468
Total CCBHC Expense Projections	26,595,132	24,147,518	8,587,146	6,991,220	12,464,281	93,074	78,878,372
Projected CCBHC Surplus (Deficit)	(5,359,140)	(1,907,590)	610,582	(981,819)	(694,687)	973,509	(7,387,904)
% Variance	-25.24%	-8.58%	6.64%	-16.34%	-5.90%	91.27%	
Information regarding CCBHC Projections (Threshold: Surplus of 5% and deficit of 1%)	CCBHC costs are higher than anticipated. HW is implementing productivity standards.	As Network180 continues to implement CCBHC, daily visits have not ramped up during the first few months, but we expect this to stabilize over the year. LRE Note: Deficit is the responsibility of the CCBHC and not the PIHP.	OnPoint has provided more daily visits than projected, resulting in higher revenue and surplus. LRE Note: Surplus is retained by the CCBHC and not the PIHP.	Current actual CCBHC expenses exceeded projection	CCBHC expense is higher due to increasing staff cost. West Michigan has implemented processes to enhance productivity and reduce service cost.	Surplus is used to cover PIHP administration on traditional capitation administration expenses.	
PROPOSED SPENDING PLAN: Submitted to the LRE as of:							
Total Budgeted Medicaid/HMP CCBHC Revenue	17,933,215	33,799,561	8,962,199	6,009,401	11,769,698	1,066,583	79,540,657
Total Budgeted CCBHC Expense	22,785,723	25,453,101	8,194,559	6,009,401	12,464,281	93,074	75,000,138
Budgeted Surplus (Deficit)	(4,852,508)	8,346,460	767,640	-	(694,583)	973,509	4,540,519
% Variance	-27.06%	24.69%	8.57%	0.00%	-5.90%	91.27%	
Information regarding CCBHC Spending Plans (Threshold: Surplus of 5% and deficit of 1%)	HealthWest is seeing many more CCBHC individuals and with higher costs than anticipated. We are working on a KATA project to evaluate productivity and expenses.	Network180's initial spending plan showed CCBHC would produce a surplus of revenue over expenses based on PPS+1 amounts and projected daily visits.	OnPoint has provided more daily visits than projected, resulting in higher revenue and surplus.	Less than threshold for explanation.	CCBHC expense is higher due to increasing staff cost. West Michigan has implemented processes to enhance productivity and reduce service cost.	Surplus is used to cover PIHP administration on traditional capitation administration expenses.	
Variance between CCBHC Projected and Proposed Spending Plan	(506,633)	(10,254,050)	(157,059)	(981,819)	(104)	-	(11,928,423)
% Variance	-2.83%	-30.34%	-1.75%	-16.34%	0.00%	0.00%	
Explanation of variances between CCBHC Projected and Proposed Spending Plan (Threshold: Surplus of 5% and deficit of 1%)	HW had a slight improvement in September but continue to see more individuals that were served under CCBHC than anticipated.	As Network180 continues to implement CCBHC, daily visits have not ramped up during the first few months, but we expect this to stabilize over the year.	Change in projected surplus from spending plan is due to more services being categorized as CCBHC.	Current actual CCBHC expenses exceeded projection	Less than threshold for explanation.	Less than threshold for explanation.	

Lakeshore Regional Entity
 FY2024 FSR Monthly Comparison of Surplus/(Deficit)

Actual	Oct	Nov	Change	Dec	Change	Jan	Change	Feb	Change	Mar	Change	April	Change	May	Change	June	Change	July	Change	August	Change	September	Change
HW	1,026,730	3,107,460	2,080,730	5,579,467	2,472,007	3,199,392	(2,380,075)	3,605,190	405,798	3,645,112	39,922	4,121,059	475,947	4,321,986	200,927	5,083,745	761,759	5,752,888	669,143	4,659,917	(1,092,971)	3,035,471	(1,624,446)
N180	165,809	759,302	593,493	289,272	(470,030)	204,160	(85,712)	(1,777,913)	(1,982,073)	(4,595,100)	(2,778,167)	(7,040,896)	(2,484,795)	(8,152,948)	(1,111,957)	(11,413,632)	(3,260,784)	(16,385,957)	(4,972,329)	(15,939,601)	446,356	(17,417,820)	(1,478,219)
OnPoint	358,611	925,043	566,432	1,450,703	525,660	2,032,241	581,538	1,333,301	(898,940)	2,074,959	741,649	1,529,935	(543,015)	1,484,423	(45,512)	1,352,813	368,391	1,715,891	(136,923)	1,890,493	174,603	1,909,271	(81,223)
Ottawa	3,447,859	4,673,590	1,225,731	2,874,179	(1,799,411)	3,822,418	948,239	3,032,139	(790,280)	2,997,878	(34,261)	3,674,280	676,402	1,962,820	(1,711,460)	5,947,406	3,984,586	(443,082)	(6,390,488)	(1,596,858)	(1,153,776)	(5,615,862)	(4,019,004)
WM	146,548	323,797	177,249	196,638	(127,159)	221,256	24,618	263,777	42,521	(194,679)	(458,456)	(252,186)	(57,507)	(300,664)	(48,478)	(322,028)	(21,364)	(54,529)	267,498	(409,647)	(355,117)	423,366	833,013
Total	5,145,557	9,789,192	4,643,635	10,390,259	601,067	9,479,467	(910,792)	6,456,493	(3,022,974)	3,967,160	(2,489,333)	2,032,192	(1,934,969)	(684,282)	(2,716,474)	1,148,305	1,832,588	(9,414,789)	(10,563,094)	(11,395,695)	(1,980,906)	(17,765,574)	(6,369,879)

Projection	Oct	Nov	Change	Dec	Change	Jan	Change	Feb	Change	Mar	Change	April	Change	May	Change	June	Change	July	Change	August	Change	September	Change
HW	4,668,224	3,624,722	(1,043,502)	2,921,274	(703,448)	2,243,222	(678,052)	1,896,615	(346,607)	487,028	(1,409,587)	1,014,668	527,640	1,584,465	569,797	1,450,071	(134,394)	2,193,384	743,313	1,908,284	(285,100)	2,264,549	356,264
N180	(6,972,029)	(2,055,426)	(15,083,397)	(17,050,789)	5,004,637	(19,607,308)	(2,556,519)	(15,887,604)	3,719,704	(16,512,771)	(625,167)	(15,000,462)	1,512,308	(16,632,024)	(1,631,562)	(19,324,604)	(2,692,580)	(19,448,465)	(123,861)	(20,515,201)	(1,066,737)	(19,819,256)	695,945
OnPoint	8,048	(477,886)	(485,934)	708,344	1,186,230	(137,133)	(845,477)	1,502,157	1,639,290	1,502,157	-	1,099,597	(402,560)	841,662	(257,935)	1,096,746	255,084	1,116,769	20,023	1,078,244	(38,525)	1,206,108	127,863
Ottawa	(595,855)	388,401	984,256	931,628	543,227	(403,186)	(1,334,874)	(281,286)	121,900	(2,110,937)	(1,829,657)	(1,400,740)	770,197	(1,229,657)	171,082	(708,396)	521,262	(755,772)	(47,377)	(1,537,061)	(781,288)	(5,441,309)	(3,904,249)
WM	467	(264,270)	(264,737)	(584,357)	(320,087)	(836,946)	(252,589)	(480,749)	356,197	(480,749)	-	(217,496)	263,253	(472,126)	(254,629)	260,872	732,997	216,288	(44,583)	296,558	80,270	363,012	66,453
Total	(2,891,145)	(18,784,459)	(15,893,314)	(13,073,900)	5,710,559	(18,741,351)	(5,667,451)	(13,250,867)	5,490,484	(17,115,272)	(3,864,405)	(14,504,433)	2,610,839	(15,907,679)	(1,403,246)	(17,225,311)	(1,317,637)	(16,677,796)	547,515	(18,769,175)	(2,091,379)	(21,426,897)	(2,657,723)

Proposed Spending Plan/Budget	Oct	Nov	Change	Dec	Change	Jan	Change	Feb	Change	Mar	Change	April	Change	May	Change	June	Change	July	Change	August	Change	September	Change
HW	4,668,225	4,668,225	-	4,668,225	-	4,668,225	0	4,668,225	-	4,668,225	-	4,668,225	-	4,668,225	-	4,668,225	-	4,668,225	-	4,668,225	-	4,668,225	-
N180	(6,972,029)	(6,972,029)	-	(6,972,029)	-	(6,972,029)	0	(6,972,029)	-	(6,972,029)	-	(6,972,029)	-	(6,972,029)	-	(6,972,029)	-	(6,972,029)	-	(6,972,029)	-	(6,972,029)	-
OnPoint	8,048	8,048	-	8,048	-	8,048	0	8,048	-	8,048	-	1,099,598	1,091,550	1,099,598	-	1,099,598	-	1,099,598	-	1,099,598	-	1,099,598	-
Ottawa	79,645	79,645	-	79,645	-	79,645	-	79,645	-	(28,840)	(708,485)	(28,840)	-	(28,840)	-	345,575	374,415	345,575	-	345,575	-	345,575	-
WM	467	467	-	467	-	467	-	467	-	467	0	467	-	467	-	372,488	372,021	372,488	-	372,488	-	372,488	-
Total	(2,215,644)	(2,215,644)	-	(2,215,644)	-	(2,215,644)	0	(2,215,644)	-	(2,324,129)	(708,485)	(1,232,579)	1,091,550	(1,232,579)	-	(486,143)	746,436	(486,143)	-	(486,143)	-	(486,143)	-

Base Capitation Only. Does not include CCBHC activity.

Lakeshore Regional Entity
FY2024 FSR Monthly Comparison of Surplus/(Deficit) Detail
(Excluding CCBHC)

ACTUAL:	HealthWest	Network180	OnPoint	Ottawa	West Michigan	Total
Distributed Medicaid/HMP						
Medicaid/HMP	(1,250,243)	(8,049,512)	(296,944)	(5,925,351)	(906,652)	(16,428,702)
Autism	4,285,714	(9,368,308)	2,106,214	309,489	1,330,018	(1,336,872)
Total Distributed Medicaid/HMP Revenue	3,035,471	(17,417,820)	1,809,271	(5,615,862)	423,366	(17,765,574)
PROJECTION:	HealthWest	Network180	OnPoint	Ottawa	West Michigan	Total
Distributed Medicaid/HMP						
Medicaid/HMP	(1,630,965)	(9,456,640)	(713,530)	(5,511,168)	(1,368,601)	(18,680,904)
Autism	3,895,513	(10,362,616)	1,919,637	69,859	1,731,613	(2,745,994)
Total Distributed Medicaid/HMP Revenue	2,264,549	(19,819,256)	1,206,108	(5,441,309)	363,012	(21,426,897)