



Fiscal Year 2024/2025 Budget Presentation

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Introduction and Purpose

- Public Presentation required by PA 43
- FY2025 Budget Development Revenue Assumptions
- FY2025 Other Revenue Information
- FY2025 Regional Operating Revenue Budgets
- FY2025 Regional Operating Expense Budgets
- FY2025 LRE Administrative Expense Breakdown
- Next Steps
- Board review/approval today



FY2025 Budget Development Revenue Assumptions

- Michigan Department of Health and Human Services (MDHHS), along with Milliman, its actuarial firm, provided a **DRAFT** rate information to the PIHPs. Final MDHHS Rate Certification letter was just received at the end of the day 9/24/24. That rate information has not yet been analyzed and is not included in this budget.
- No initial budgeted/withheld contribution to risk reserves recommended at this time. Will revisit after final rates are received from MDHHS and the next ISF Analysis is complete.
- PA2 projections are based on FY2025 revenues expected and projected by the Michigan Department of Treasury
- Grants are based on budgets submitted to MDHHS



FY2025 Other Revenue Information

- CCBHC – The LRE has five Community Mental Health Service Programs (CMHSP) participating in the State’s Certified Community Behavioral Health demonstration project.
- Within FY2025, the LRE will update revenue figures based on the FINAL Rate Certification data. A FY budget amendment will be brought forward at that time.

FY2025 Regional Operating Revenue Budgets

	FY 2023/2024 Initial Budget	FY 2024/2025 Initial Budget	Increase / (Decrease)	Change %
Revenue				
Regional Operating Revenue				
Mental Health State Plan & 1915(i)	\$ 222,048,177	\$ 225,749,203	\$ 3,701,026	1.7%
Habilitation Supports Waiver (HSW)	49,521,854	51,729,665	2,207,811	4.5%
Children's Waiver	3,242,736	3,180,212	(62,524)	-1.9%
SED Waiver	1,754,317	1,672,628	(81,689)	-4.7%
DHS Incentive Payment	471,247	471,247	-	0.0%
Autism Revenue	44,647,077	47,599,001	2,951,924	6.6%
Mental Health Healthy Michigan	16,796,449	17,311,272	514,824	3.1%
Mental Health Block Grant - Veteran Navigator	110,000	110,000	-	0.0%
Block Grants - Hisp BH, Native Am, Tob, Clubhse,				
BH Workforce Stab., ARPA CCBHC	435,800	513,800	78,000	17.9%
Substance Use Gambling, ARPA & DFC	965,861	1,040,366	74,505	7.7%
Substance Use State Plan	8,149,956	8,162,709	12,753	0.2%
Substance Use Healthy Michigan	10,714,364	11,157,718	443,354	4.1%
Substance Use Block, State Opioid Response, COVID-19	11,941,134	9,328,394	(2,612,740)	-21.9%
Performance Bonus Incentive Pool	2,819,234	2,819,234	-	0.0%
CCBHC Quality Bonus Incentive	-	1,745,775	1,745,775	0.0%
Substance Use PA2 Liquor Tax	3,748,366	3,996,264	247,899	6.6%
Medicaid CCBHC Base Capitation	27,747,426	23,389,790	(4,357,636)	-15.7%
Healthy Michigan CCBHC Base Capitation	8,704,976	6,046,769	(2,658,207)	-30.5%
Medicaid CCBHC Supplemental	32,214,873	34,550,918	2,336,044	7.3%
Healthy Michigan CCBHC Supplemental	9,358,912	9,822,186	463,274	5.0%
CCBHC General Funds	-	-	-	0.0%
Hospital Rate Adjuster (HRA)	12,576,256	18,820,061	6,243,805	49.6%
Interest Earnings	640,059	1,354,059	714,000	111.6%
Member Local Contribution to State Medicaid	1,007,548	1,007,548	-	0.0%
Miscellaneous Revenue	5,500	5,500	-	0.0%
Total Revenue	\$ 469,622,121	\$ 481,584,318	\$ 11,962,197	

FY2025 Regional Operating Expense Budgets

Expense

Regional Operating Expenses				
Administration expense	\$ 13,922,557	\$ 13,922,557	\$ -	0.0%
Block Grants - Clubhse/Veterans/Hisp/Tob Cess/ NatAm/BH Workforce Stab	670,800	623,800	(47,000)	-7.0%
SUD Prevention Direct Expenses	3,152,694	3,629,787	477,093	15.1%
Hospital Rate Adjustment / Taxes	17,026,291	22,405,885	5,379,594	31.6%
Operating Expense - Member Payments	433,842,231	439,994,741	6,152,510	1.4%
Contribution to ISF/Savings	-	-	-	0.0%
Local Contribution to State Medicaid	1,007,548	1,007,548	-	0.0%
Total Expense	<u>\$ 469,622,121</u>	<u>\$ 481,584,318</u>	<u>\$ 11,962,197</u>	



FY2025 Regional Operating Expense Budgets: LRE Administration Expense Breakdown

- Includes a 0% increase in total from FY2024 initial budget (excluding grants)
- 2.89% of overall expense budget in FY2025, down from 2.96% FY2024 initial budget (excluding grants)

	FY 2024/2025 Initial Budget
Salaries and Fringes	6,423,649
Office Supplies/Meeting Expenses	259,246
Contracting/Consulting	1,012,171
Data Analytics/Knowledge Serv	152,000
MCIS	365,200
Building Rent/Utilities/Misc/Contingency	5,710,291
Veterans Navigator/Other Grants	622,744
TOTAL \$	14,545,301



Next Steps

- Monthly Review of Reality vs. Assumptions
- Review Regional and Administrative Functions and Efficiencies
- Budget Amendments, as needed



Thank you!