Southwest Michigan Behavioral Health Board Meeting
Air Zoo Aerospace & Science Museum
6151 Portage Rd, Portage, MI 49002
March 14, 2025
9:30 am to 11:30 am
(d) means document provided
Draft: 3/6/25

1. **Welcome Guests/Public Comment**

2. **Agenda Review and Adoption (d) pg.1**

3. **Financial Interest Disclosure Handling**

   - None Scheduled

4. **Consent Agenda (2 minutes)**

   a. February 14, 2025 SWMBH Board Meeting Minutes (d) pg.3
   b. February 12, and February 26, 2025 Operations Committee Meeting Minutes (d) pg.8
   c. February 7, 2025 Board Finance Committee Meeting Minutes (d) pg.16
   d. February 14, 2025 Board Regulatory Compliance Committee Meeting Minutes (d) pg.18

5. **Fiscal Year 2025 Year to Date Financial Statements and Cash Flow Analysis (15 minutes)**
   a. G. Guidry (d) pg.19
   b. Operations Committee (handout)

6. **Required Approvals (15 minutes)**

   a. Financial Management Plan (G. Guidry) (d) pg.32
   b. Financial Risk Management Plan (G. Guidry) (d) pg.38
   c. Cost Allocation Plan (G. Guidry) (d) pg.41

7. **Ends Metrics Updates *(*Requires motion)* (0 minutes)**
   Proposed Motion: Is the Data Relevant and Compelling? Is the Executive Officer in Compliance? Do the Ends need Revision?

   - None scheduled

8. **Board Policy Review (10 minutes)**
   Proposed Motion: Is the Board in Compliance? Does the Policy Need Revision?

   a. BG-004 Board Ends and Accomplishments (d) pg.51
   b. BG-006 Annual Board Planning Cycle (d) pg.52

9. **Board Actions to be Considered (20 minutes)**

   - Ends Interpretations and Metrics (B. Casemore) (handout)

10. Executive Limitations Review (0 minutes)
Proposed Motion: Is the Executive Officer in Compliance with this Policy? Does the Policy Need Revision?

- None scheduled

11. Board Education (15 minutes)

- SWMBH Policy Governance Check In (S. Radwan)

12. Communication and Counsel to the Board (5 minutes)

a. MDHHS - PIHP Announcement (B. Casemore) (d) pg.54
b. MCIS/PCE update (M. Todd)
c. Fiscal Year 2024 Hospital Services Advisory Group External Quality Review-Compliance Review Report Summary (A. Lacey) (d) pg.56
d. Fiscal Year 2024 Program Integrity Compliance Report (M. Todd) (d) pg.59
e. May 9, 2025 Board Planning Session Agenda (d) pg.64
f. April Officer Elections
g. April Board Policy Direct Inspection – BEL-001 Budgeting (Board Finance Committee), BEL-002 Investments (Board Finance Committee). Then to Board.

13. Public Comment

14. Adjournment

SWMBH adheres to all applicable laws, rules, and regulations in the operation of its public meetings, including the Michigan Open Meetings Act, MCL 15.261 – 15.275.

SWMBH does not limit or restrict the rights of the press or other news media.

Discussions and deliberations at an open meeting must be able to be heard by the general public participating in the meeting. Board members must avoid using email, texting, instant messaging, and other forms of electronic communication to make a decision or deliberate toward a decision and must avoid "round-the-horn" decision-making in a manner not accessible to the public at an open meeting.

Next Board Meeting
April 11, 2025
9:30 am - 11:30 am

Southwest Michigan
BEHAVIORAL HEALTH

Board Meeting Minutes
February 14, 2025
Air Zoo Aerospace & Science Museum, 6151 Portage Rd, Portage, MI 49002
9:30 am-11:30 am
Draft: 2/19/25

Members Present: Sherii Sherban**,** Tom Schmelzer, Joyce Locke, Edward Meny, Michael Seals, Lorraine Lindsey, Tina Leary, Carol Naccarato

Members Absent: Allen Edlefson

Guests Present: Brad Casemore, CEO, SWMBH; Mila Todd, Interim CEO, SWMBH; Garyl Guidry, Chief Financial Officer, SWMBH; Alena Lacey, Director of Quality Management and Clinical Outcomes, SWMBH; Michelle Jacobs, Senior Operations Specialist & Rights Advisor, SWMBH; Ella Philander, Executive Projects Manager, SWMBH; Marissa Miller, Quality Assurance and Performance Improvement Manager, SWMBH; Geoff Sherman, Information Systems Analyst, SWMBH; Cameron Bullock, Pivotal; Jeannie Goodrich, Summit Pointe; John Ruddell, Woodlands; Sue Germann, Pines BH; Debbie Hess, Van Buren County CMH; Richard Thiemkey, Barry County CMH; Richard Carpenter

Welcome Guests
Sherii Sherban called the meeting to order at 9:30 am.

Public Comment
None

Agenda Review and Adoption

Motion	Lorraine Lindsey moved to approve the agenda with additions of May 9, 2025 Board Planning Session, Financial Interest Disclosure for Joyce Locke and moving the January 3, 2025 Board Meeting minutes out of the consent agenda.
Second	Edward Meny
Motion Carried	

Financial Interest Disclosure (FID) Handling
Mila Todd reviewed the financial disclosure information for Michael Seals, who is a member of the ISK CMH Board, noting the inherent conflict of interest.

Motion Edward Meny moved that a conflict exists and that:

1) The Board is not able to obtain a more advantageous arrangement with someone other than Michael Seals

2) The Financial Interest disclosed by Michael Seals is not so substantial as to be likely to affect the integrity of the services that SWMBH may expect to receive; and

3) A Conflict of Interest Waiver should be granted.

Second Tom Schmelzer
Motion Carried

Mila Todd reviewed the financial disclosure information for Joyce Locke, who is a member of the Woodlands CMH Board, noting the inherent conflict of interest.

Motion Edward Meny moved that a conflict exists and that:

1) The Board is not able to obtain a more advantageous arrangement with someone other than Joyce Locke

2) The Financial Interest disclosed by Joyce Locke is not so substantial as to be likely to affect the integrity of the services that SWMBH may expect to receive; and

3) A Conflict of Interest Waiver should be granted.

Second Lorraine Lindsey
Motion Carried

January 3, 2025 Special Board Meeting Minutes

Sherii Sherban asked for her name to be spelled correctly on the minutes and for a sentence to be extended/revised after Sherii and Carol agreed to recuse themselves from voting but not from discussion "due to the statement from Brad's preliminary written response paragraph 9…This infers that SWMBH must relinquish all forms of utilization management to them…and by inference to all SWMBH CMHs…thereby indicating in writing that all CMHs are impacted by this consideration."

Motion Tom Schmelzer moved to approve the January 3, 2025 Board Meeting minutes with the addition of the sentence "due to the statement from Brad's preliminary written response paragraph 9…This infers that SWMBH must relinquish all forms of utilization management to them…and by inference to all SWMBH CMHs…thereby indicating in writing that all CMHs are impacted by this consideration."

Second Lorraine Lindsey
Motion Carried

Consent Agenda

Motion Lorraine Lindsey moved to approve the January 10, 2025 Board minutes, January 22, 2025 Operations Committee Meeting minutes and January 3, 2025 Board Finance Committee Meeting minutes as presented.

Second Michael Seals
Motion Carried

Required Approvals

None scheduled

Ends Metrics Updates

None scheduled

Fiscal Year 2025 Year to Date Financials and Cash Flow Analysis

Garyl Guidry reported as documented noting an overall projected deficit of 3.3 million with a projected 1.3 million in Internal Service Fund (ISF) leaving a projected deficit of 1.9 million. For Fiscal Year 2025 there is a current projected deficit of 11.8 million. Garyl covered CCBHC revenue, expense and surplus/deficit and summarized what is being done regionally to address deficits:

- Reviewing Utilization Management Expenses
- Reviewing decline in Eligibles but same Service Expenses
- MDHHS indicates an 11% rate increase was provided for FY25. When SWMBH compared actual revenues received, our Region has only realized a 2.9% increase for FY25.
- Meeting on 2/24/25 with (Michigan Department of Health & Human Services) MDHHS
- Discussed last week's meeting with (Community Mental Health Association of Michigan) CMHAM

Sherii Sherban discussed the CMH Board Chair meeting at the 1/29/25 Directors Forum which was almost entirely devoted to financial situations/crisis across the State. Discussion followed.

Operations Committee Update

Richard Carpenter distributed handouts and reported as documented noting cost and expense projections.
Jeannie Goodrich reported as documented in a memo which was distributed to the Board.
Mila Todd noted that SWMBH released the Request for Information (RFI) to PCE and is awaiting PCE written responses.

2025 Quality Assurance and Performance Improvement Plan (QAPIP)

Alena Lacey reported as documented noting Section J Care Management Program was added to the Plan as it's a contractual requirement.

Motion Edward Meny moved to approve the QAPIP as presented.
Second Lorraine Lindsey
Motion Carried

Ends Metrics Updates

None

Board Actions to be Considered

Eleos Group Purchase Agreement

Mila Todd reported as documented, noting Eleos is an Artificial Intelligence (AI) note system. Discussion followed with Cameron Bullock explaining the benefits of Eleos.

Motion Tom Schmelzer moved that the Board retroactively approves the execution of the Eleos Membership Partnership Agreement by SWMBH for the 3 year term.
Second Carol Naccarato
Motion Carried

Board Policy Review

BG-004 Board Ends and Accomplishments

Sherii Sherban reported as documented.

Motion Tom Schmelzer moved that the Board is in compliance with BG-004 Board Ends and Accomplishments and that the policy does not need revisions.

Second Edward Meny

Motion Carried

BG-007 Code of Conduct

Sherii Sherban reported as documented.

Motion Carol Naccarato moved that the Board is in compliance with BG-007 Code of Conduct and that the policy does not need revisions.

Second Lorraine Lindsey

Motion Carried

Executive Limitations Review

None

Board Education

Strategic Plan

Brad Casemore reviewed recent approval of the new SWMBH Board Ends and noted that Ends Interpretations, Strategic Plan and Environmental Scan document are under development and will be working with the Operations Committee in March and April and then presented to the Board at the May 9th Board Planning Session. Sherii Sherban asked for the Ends Interpretations sooner with possibly smaller sections to start in March and include Susan Radwan at March and April Board meetings. Discussion followed.

Communication and Counsel to the Board

Operations Committee Delegation Assessment Plan

Mila Todd reported as documented noting that the plan is being executed with dates and deadlines being met so far.

Quality Assurance and Performance Improvement Program Fiscal Year 2024 Evaluation

Alena Lacey reported as documented.

March Board Policy Direct Inspection

None scheduled.

New Board Member Orientation

Sherii Sherban noted that New Board member orientation will be starting at noon today. Please see Geoff Sherman for a photo and forward any bios to Michelle Jacobs. Sherii Sherban made the following appointments: Board Finance Committee – Michael Seals; Board Regulatory Compliance Committee – Allen Edlefson and Joyce Locke.

Public Comment

None

Adjournment

Motion	Edward Meny moved to adjourn at 11:41am
Second	Michael Seals
Motion Carried	

Date:	2/12/25
Time:	9:00 am-11:00 am
Facilitator:	Ric
Minute Taker:	Cameron
Meeting Location:	SWMBH, 5250 Lovers Lane, Suite 200, Portage, MI 49002 Click here to join the meeting

Present: ☒ Rich Thiemkey (Barry) ☒ John Ruddell (Woodlands) ☒ Brad Casemore (SWMBH)
☒ Ric Compton (Riverwood) ☐ Jeff Patton (ISK) ☒ Mila Todd (SWMBH)
☒ Sue Germann (Pines BHS) ☒ Cameron Bullock (Pivotal) ☒ Garyl Guidry (SWMBH)
☒ Jeannie Goodrich (Summit) ☒ Debbie Hess (Van Buren)
☐ Guest(s):

Version: 2/10/25

Agenda Topics:	Discussion Points:	Minutes:
1. Agenda Review & Adoption (d)		
2. Prior Minutes (d)	Approved at the end of the last meeting	Will approve current minutes at the end of the meeting to allow the minutes to go to the Board timely.
3. F. Encounter Analysis – CMH to SWMBH to State (Richard C.) - 30 minutes **SWMBH Board Presentation (Richard and Jeannie) – 15 minutes**		Richard provided the overview of the project that was completed – this portion is the analysis for the encounters between CMH-SWMBH-STATE. Focus is FY23 as this is what is used for FY25 rates. Richard reported that encounters are making it to the state from SWMBH with a small variance noted. This is true both on encounter level and fund source level (population). What the CMH sends as an encounter is what SWMBH sends as encounter in their system. From a data completeness, that is not an issue. Issues could be with BH-Teds, etc., but that wasn't the scope of the project at this time. From the CMH data pull and review, there are more encounters in the CMH system than in the SWMBH system. Richard provided a table to illustrate the difference between what is accounted for in the CMH system and the SWMBH system using the EQI for verification.

		This would include internal and external services for the CMH. FY 23 – claims that didn't make it to the state - 1 055 014 – these are in the CMH system and not in the SWMBH system to send. The dollar amount is $5,471,121.25. Berrien and Woodlands are the largest missing in dollars. Berrien and Summit are the largest missing in units. Richard to provide this information via secureshare to each CMH. CIOs will need to go through and help identify why the encounter was paid but never sent to SWMBH, to be presented back to Ops Comm at the next meeting, with analysis to follow for the board at a later date once more information is gleaned. Over 1.1 million units of service combined did not make it to the state. This does impact our entity factor, but it is difficult to quantify the impact… Missing units is 7.62% of units sent and 2.06% of dollars spent. Each CMH should look at FY24 internally, as this is due to Garyl by 2/17/25. Mila to ask Milliman if there is potential for a lookback correction to FY23 for FY25 midyear correction. Garyl currently has Balance sheets, etc., though not currently in a format that is like Rehmann templates. Garyl will start providing the current format at Ops Comm at the next meeting. Garyl has committed to redoing the templates to be as similar as possible to CMH examples, though it has stated by end of the current FY is realistic with audit and year end closing.
4. FY 2025 YTD financials (Garyl) **- SWMBH Board Requests for information/data (Jeannie/Cam)**		Current $3.3 Million dollar deficit, with a projection of $11,821,489. The current ISF projection is $1.382 million. Still below pre-pandemic levels of Medicaid enrollments, still declining in revenue, will trend out for FY.

		HMP is declining significantly faster than anticipated.
5. PCE Update (Mila)		Waiting for a written response from PCE
6. PBIP (Mila)		Draft FY24 PBIP performance from MDHHS provided to Ops Comm. Under Review.
7. 1/23 MDHHS Meeting debrief		Jeff and Mila have sent out the meeting debrief. On Feb 24th, we have another meeting with the department. MDHHS has provided a list of questions for us to respond to.
8. 1/30 Rehman Meeting debrief and 2/14 SWMBH Board update		Jeannie presented handouts for the board. Jeannie/Richard to bring copies for the meeting. If every CMH was to cut every internal staff member, we would not be able to reduce the deficit enough to get out of our current deficit projection. (We would also not be able to provide any services either). Once P4 ends, CMH CFOs will submit an updated budget with expenses and revenues for updated budgeting. Still having collective conversations on revised budgeting and have by no later than April of 2025. CMH CEOs still support the recommendation to continue the contract with Rehmann and move forward with PCE.
9. Plan for allowing CMHs to become responsible for continuing stay reviews for psychiatric inpatient care.		The approved written plan has been placed in the board packet. Summit and Pivotal have both sent in the information that was requested by the due date, and SWMBH is reviewing it.
10. Status and finalization process with OC on major Board deliverables (Brad): ○ **Board Ends Interpretations and Metrics** ○ **Environmental Scan** ○ **2025 – 2027 Strategic Plan** ○ **Fiscal Year 2024 Impact Report**		Target to produce, with Ops Comm involvement, by April for use in the May Board Retreat. – Board Ends Interpretation and environmental scan

11. May Board Retreat (Brad)		Board ends will be added to retreat.
12. CLS Outlier Management (Mila and John)		Working on creating a UM process with Woodlands to create a CLS process for utilization.
13. Flatrock Specialized Residential Rates		Bundling rates – Bring back to next Feb Meeting
14. Next Meeting February 26 **March Facilitator – Jeannie** **April Facilitator – Jeff** **May Facilitator-Sue** **Agenda:**		Inpatient Rates Spec Res Rates • CMH's to check how many people are currently are in Flatrock. Bring back Flatrock Spec Res Rates Autism Rates CLS outlier Management Mila/John Financials – Garyl

CEO Only Discussion – 11:00am – 12:00am

Date:	2/26/25
Time:	9:00 am-11:00 am
Facilitator:	Ric
Minute Taker:	Cameron
Meeting Location:	SWMBH, 5250 Lovers Lane, Suite 200, Portage, MI 49002 Click here to join the meeting

Present: ☒ Rich Thiemkey (Barry) ☒ John Ruddell (Woodlands) ☒ Brad Casemore (SWMBH)
☒ Ric Compton (Riverwood) ☒ Jeff Patton (ISK) ☒ Mila Todd (SWMBH)
☒ Sue Germann (Pines BHS) ☒ Cameron Bullock (Pivotal) ☒ Garyl Guidry (SWMBH)
☒ Jeannie Goodrich (Summit) ☒ Debbie Hess (Van Buren)
☐ Guest(s):

Version: 2/24/25

Agenda Topics:	Discussion Points:	Minutes:
1. Agenda Review & Adoption (d)		
2. Prior Minutes (d)		Minutes approved.
3. 9:15am ○ **May 9th Board Planning Session** ○ **Ends Interpretations and Metrics Review Plan**		• May 9th Board planning session. ○ Conversations around CMH Operational Updates and Goals – Hour seems to be excessive; Jeff would like to focus more on financials as we are already in a crisis, Jeannie in agreement with a higher focus on Financials. Debbie would like it removed completely, and Cameron would like it to be limited in length of time, if kept at all, currently already reporting to the board monthly recommendations and updates from Ops Comm. • Brad to speak to SWMBH Board and board chair about redefining the purpose of the retreat and focus it more on the Financial Crisis.

		• SubEnd 2 & 4 on March Ops Comm Meeting at Brads Request. 8 CMH CEO's will review the SubEnd 2 & 4 and be available to discuss or send redlined discussions.

4. 2025 YTD financials (Garyl)		• Due Final FSR – all 8 are completed, and SWMBH's are almost ready to send; EQIs are ready.
		• One CMH actuals P4 missing as of 2/25/25
		  ○ Van Buren
		• 2 CCBHC's Cost Reports Missing – Due to state on 2/28/25, was due to SWMBH on 2/21/25.
		  ○ Summit Pointe
		  ○ ISK
		• Fy 24 Cash Settlements will go out after the completion of the compliance audit.
		• FY 24 CCBHC Cash Settlements will go out after SWMBH receives the money from the State.

5. PCE Update (Mila)		• RFI response due by the end of day 2/27/28.
6. PBIP (Mila)		• FY 24 distribution already agreed upon. • Just roughly above $2 million. • FY 24 funds will be distributed around March/April. • FY 25 distribution has not yet been established. • Mila to check with SUD provider contracts and PBIP language should there be no funds to be distributed.
7. Plan for allowing CMHs to become responsible for continuing stay reviews for psychiatric inpatient care.		• Finishing up this week with the continued stay review. • The department was asked if this was a new delegation approval, to which the department responded yes. • SWMBH to send to the state on Friday. • Jeannie and Cameron will be meeting with Mila for follow-up on processes moving forward. • Mila to send to Jeannie and Cameron communication to the state prior to submission to the state.

8. Asking BOC to adopt resolutions in support of additional funding. (Debbie)		• SWMBH to provide a template resolution to OC by 3/12/25
9. CAP on HCBS audit from each CMH (Debbie)		• SWMBH will create policy updates and then downstream to CMHs. This will go out to the Regional Provider Network. An additional meeting will be scheduled to review and review redlines with the group. There will be a week between the SWMBH handout and the CMH return. Due to the State, March 11th, the CMHs need to be back to SWMBH by March 7th.
10. Financial Reports requested by the Operations Committee		• P4 financials will include all the currently formatted as SWMBH currently has it. • This will be included at each update in new Period financials. • Brad and Garyl will communicate and get with Cameron to see what additional financial forms are already in existence to provide at Ops Comm.
11. FY25 Budget Revision Update		• Need a new budget to be able to look at what the current revenue and expenses are looking for the region and use that to prioritize at March's meetings. • We need: ○ Statewide Averages in cost per unit, in cost per case, in a similar format as presented via Richard Carpenter. • Meeting with CFO, CEO's and Mila • Wakely needs to do a review of Milliman rates.
12. Rehmann Contract		• SWMBH to review Statement of Work from Wakely. • SWMBH to review Rehmann Scope of Work contract
13. Outcome of 2/24 meeting with SWMBH and MDHHS		• MDHHS was asked where the overages were, in their opinion, coming from, and the state did not have an answer. • Mila will send out a talking point document. • Mila reviewed the meeting and highlights. • Next Steps:

		○ Mid Year Rate Adjustment for autism only ○ No commitment to FY 25 rate adjustment for the remainder of the services. • Regional Rate reduction efforts: ○ CLS outlier rate management – Cass County is spearheading that. ▪ Van Buren is going to be reaching out to Cass to discuss the process. ○ Resetting inpatient Rate ○ Spec Res Rate resetting • Revenue Maximization: ○ BH-TEDs data, Tableau Report, and Milliman data to determine what factors are rated heavily. ○ Unemployed/could be moved to not being employed. ○ Mila will send out concise, actionable items for CMHs to focus on.
14. Next Meeting March 12 **March Facilitator – Jeannie** **April Facilitator – Jeff** **May Facilitator-Sue** **Agenda:**		Moved to March Meetings: March 12th Meeting: The CEOs and CFOs of all 8 CMHs and SWMBH will meet in person on March 12th from 9 a.m. to 3 p.m. • Garyl will Solicit ALL PIHPs to provide an apples-to-apples comparison to Administrative FTE/Costs. • **Final Draft Environmental Scan** • **Draft Strategic Plan** • **Draft 2024 Impact Report** • **PCE Update** • **P4 Financials**

CEO Only Discussion – 11:00am – 12:00am

Board Finance Committee Meeting Minutes
February 7, 2025
SWMBH, 5250 Lovers Lane, Suite 200, Portage, Michigan 49002
1:00-2:00 pm
Draft: 2/10/25

Members Present: Tom Schmelzer, Louie Csokasy, Carol Naccarato

Guests: Amy Rottman, Jeff Patton

Members Absent: None

SWMBH Staff Present: Brad Casmore, CEO, Garyl Guidry, Chief Financial Officer, Mila Todd, Chief Compliance Officer, Michelle Jacobs, Senior Operations Specialist and Rights Advisor

Review Agenda

Motion	Louie Csokasy moved to approve the agenda as presented.
Second	Carol Naccarato
Motion Carried	

Central Topics

Review prior meeting minutes

Motion	Carol Naccarato moved to approve the minutes as presented.
Second	Louie Csokasy
Motion Carried	

Review SWMBH YTD financial statements

Garyl reviewed YTD financial statements noting revenue, expenses, and projections for 2025. Garyl noted actuals from all 8 CMHs. Garyl shared a deficit of 3.3 million with a projection of 1 million in ISF which would leave a projected deficit of 1.9 million. Fiscal Year 2025 projections are a 11.8 million deficit. Garyl noted what the region is working on regarding finances:

- Ongoing communication with MDHHS
- 2/24 meeting with MDHHS
- Meeting next week with Community Health Association of Michigan
- Factors & Drivers
- Rates
- Statewide PIHP tracking Medicaid movements between plans

Mila summarized the 1/23 meeting with MDHHS and the recent Directors Forum meeting and indicated that there would be a rate adjustment in March.

Amy Rottman offered her input on MDHHS and Autism rate adjustment and that the Autism rate adjustment might not be enough for the region due to high utilization. Amy also shared her experience with MDHHS's precedence of not taking action on funding issues.

Garyl stated that the audit is underway and now paused until the 2/28/25 submission to the State.

Discussion followed.

SWMBH Check Registers
Garyl reviewed the checks registers as documented. Discussion followed.

SWMBH Cash Flow Analysis
Garyl reviewed current forecast of Cash Flow Analysis noting a few higher items due to cash advances to a couple of CMHs and interest earned on ISF will come to an end. Discussion followed.

Financial Risk Management, Financial Management and Cost Allocation Plans
Garyl noted that the plans will go to Board for approval in March.

Rehman meeting on 1/30/25
Garyl summarized the meeting with Rehman.

Elos Update

Mila distributed a document and shared the history regarding a December contract agreement with Elos. Discussion followed.

Adjournment

Meeting adjourned at 2:30 pm

Southwest Michigan
BEHAVIORAL HEALTH

Board Regulatory Compliance Committee Meeting draft minutes
Members: Sherii Sherban, Louie Csokasy, Edward Meny
SWMBH Staff: Mila Todd, Michelle Jacobs
February 14, 2025
12:00 p.m. – 12:30 p.m. (or immediately following the SWMBH Board Meeting)
Air Zoo Aerospace & Science Museum
Draft: 2/18/25

1. **Review Agenda**

   Agenda approved as presented.

2. **Central Topics**

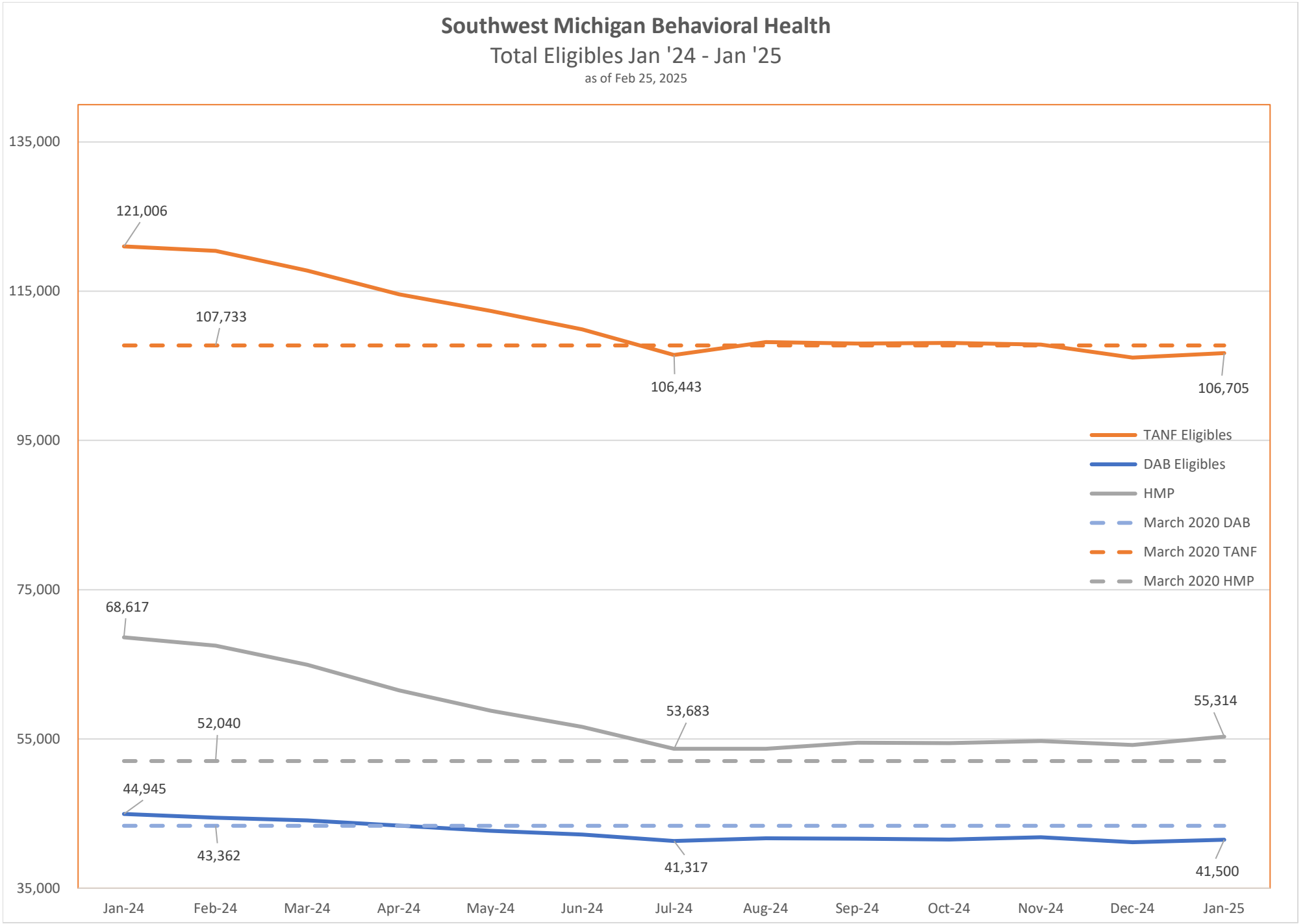
   a. Minutes - 11/8/24 minutes approved as presented.

   b. Committee reviewed Fiscal Year 2025 Compliance activities which includes data mining, reporting requirements, Breach Team meetings, and review of referrals from different sources including Office of Inspector General and the Attorney General's Office.

   c. Fiscal Year 2024 Medicaid Services Verification Report - Mila Todd reported as documented noting that this report is a contractual obligation with audit tool(s) based on MDHHS technical requirement. This audit is the largest audit in the organization and is completed quarterly with a yearly submission due on December 31st.

   d. Smart Suite Reports – Mila Todd stated that Smart Suite reports are being developed for Committee's review.

Next Meeting: May 9, 2025


Southwest Michigan Behavioral Health
Total Eligibles Jan '24 - Jan '25
as of Feb 25, 2025
135,000
115,000
95,000
75,000
55,000
35,000
121,006
107,733
106,443
106,705
68,617
52,040
53,683
55,314
44,945
43,362
41,317
41,500
TANF Eligibles
DAB Eligibles
HMP
March 2020 DAB
March 2020 TANF
March 2020 HMP
Jan-24
Feb-24
Mar-24
Apr-24
May-24
Jun-24
Jul-24
Aug-24
Sep-24
Oct-24
Nov-24
Dec-24
Jan-25

SWMBH Through Jan	FY25	FY24	% Change YOY	$ Change YOY	
State Plan MH	32,434,703	33,130,560	-2.1%	(695,857)	
1915i MH	30,066,255	28,684,873	4.8%	1,381,382	
B3 MH	-	(12)	-100.0%	12	
Autism	9,117,495	6,758,738	34.9%	2,358,757	
HSW "C" Waiver Capitation	*21,293,654*	*19,630,026*	*8.5%*	*1,663,628*	
CWP	*303,231*	*370,453*	*-18.1%*	*(67,222)*	
SED	*182,315*	*518,472*	*-64.8%*	*(336,157)*	***1,260,249***
Net Capitation Payment	93,397,653	89,093,110	4.8%	4,304,542	
				-	
State Plan SA	2,624,433	2,845,516	-7.8%	(221,083)	
Net Capitation Payment	**2,624,433**	**2,845,516**	-7.8%	(221,083)	
				-	
HMP MH	8,230,127	8,329,145	-1.2%	(99,018)	
HMP AUT	13,031	8,159	59.7%	4,872	
Net Capitation Payment	**8,243,159**	**8,337,304**	-1.1%	(94,146)	
				-	
HMP SA	4,522,980	4,944,199	-8.5%	(421,220)	
Net Capitation Payment	**4,522,980**	**4,944,199**	-8.5%		
				-	
GRAND TOTAL	108,788,224	105,220,130	3.4%	3,568,094	

as of 2/25/2025

	E	F	I	J	K
1	***Southwest Michigan Behavioral Health***				
2	For the Fiscal YTD Period Ended 9/30/2025			**FY25 PIHP**	
3	*(For Internal Management Purposes Only)*				
4			**FY25 Budget**	**FY25 Actual as P04**	**FY 25 Projection**
6	**REVENUE**				
7	**Contract Revenue**				
8	Medicaid Capitation		256,227,043	85,625,694	256,877,081
9	Healthy Michigan Plan Capitation		38,407,790	9,527,167	28,581,502
10	Medicaid Hospital Rate Adjustments		12,089,192	4,029,731	12,089,192
11	Opioid Health Home Capitation		1,610,090	535,057	1,605,170
12	Mental Health Block Grant Funding		653,000	172,045	516,136
13	SA Block Grant Funding		7,763,190	3,257,532	9,772,596
14	SA PA2 Funding		2,184,476	1,092,238	3,276,713
15					
16	Contract Revenue		318,934,780	104,239,463	312,718,389
17	CMHSP Incentive Payments		419,357	232,976	698,928
18	PIHP Incentive Payments		2,483,291	827,764	2,483,291
19	Interest Income - Working Capital		1,222,315	277,410	832,230
20	Interest Income - ISF Risk Reserve		-	207,981	623,942
21	Local Funds Contributions		852,520	284,173	852,520
22	Other Local Income				-
23					
24	**TOTAL REVENUE**		**323,912,264**	**106,069,767**	**318,209,300**
25					
26	**EXPENSE**				
27	**Healthcare Cost**				
28	Provider Claims Cost		23,023,897	7,755,370	23,266,110
29	CMHP Subcontracts, net of 1st & 3rd party		263,904,801	87,836,034	263,508,101
30	Insurance Provider Assessment Withhold (IPA		3,746,326	976,090	2,928,269
31	Medicaid Hospital Rate Adjustments		12,089,192	4,029,731	12,089,192
33			-	-	-
34	**Total Healthcare Cost**		**302,764,215**	**100,597,224**	**301,791,672**
35	**Medical Loss Ratio (HCC % of Revenue)**		**94.9%**	**96.5%**	**96.5%**
36					
37	**Administrative Cost**				
39	Administrative and Other Cost		12,805,756	3,264,486	9,793,457
44	Delegated Managed Care Admin		24,714,174	8,583,785	25,751,355
45	Apportioned Central Mgd Care Admin		(2,665,293)	(608,732)	(1,826,197)
46					
47	**Total Administrative Cost**		**34,854,637**	**11,239,538**	**33,718,614**
48	**Admin Cost Ratio (MCA % of Total Cost)**		**10.3%**	**10.0%**	**10.0%**
49					
50	Local Funds Cost		852,520	284,173	852,520
52					
53	**TOTAL COST after apportionment**		**338,471,372**	**112,120,935**	**336,362,805**
54					
55	**NET SURPLUS before settlement**		**(14,559,107)**	**(6,051,168)**	**(18,153,505)**
56	**Net Surplus (Deficit) % of Revenue**		**-4.5%**	**-5.7%**	**-5.7%**
57					
58	Prior Year Savings Utilization				
59	Change in PA2 Fund Balance				-
60	ISF Risk Reserve Abatement (Funding)				
61	ISF Risk Reserve Utilization		1,929,280	1,461,462	1,461,462
62	CCBHC Supplemental Receivable (Payable)		3,813,725	-	-
63	MDHHS Shared Risk Utilization		-	-	-
66	**NET SURPLUS (DEFICIT)**		**(8,816,103)**	**(4,589,706)**	**(16,692,043)**
67	*HMP & Autism is settled with Medicaid*				

	A	B	C	D	E
1	***Southwest Michigan Behavioral Health***				
2	For the Fiscal YTD Period Ended 9/30/2025			**FY25 CCBHC**	
3	*(For Internal Management Purposes Only)*				
4			**FY25 Budget**	**FY25 Actual as P04**	**FY 25 Projection**
5					
6	**REVENUE**				
16	Contract Revenue		94,989,631	32,436,423	97,309,269
17	CMHSP Incentive Payments		3,422,650	1,140,883	3,422,650
18					
19	**TOTAL REVENUE**		**98,412,281**	**33,577,306**	**100,731,919**
20					
21	**EXPENSE**				
22	**Healthcare Cost**				
23	CCBHC Subcontracts		82,461,854	25,116,923	75,350,770
24					
25	**Total Healthcare Cost**		**82,461,854**	**25,116,923**	**75,350,770**
26	**Medical Loss Ratio (HCC % of Revenue)**		**83.8%**	**74.8%**	**74.8%**
27					
28					
29	**Administrative Cost**				
30	Apportioned Central Mgd Care Admin		2,665,293	608,732	1,826,197
31					
32	**Total Administrative Cost**		**2,665,293**	**608,732**	**1,826,197**
33	**Admin Cost Ratio (MCA % of Total Cost)**		**3.1%**	**2.4%**	**2.4%**
34					
35	**TOTAL COST**		**85,127,147**	**25,725,656**	**77,176,968**
36					
37	**NET SURPLUS before non MCA cost**		**13,285,134**	**7,851,650**	**23,554,951**
38	**Net Surplus (Deficit) % of Revenue**		**13.5%**	**23.4%**	**23.4%**
39					
40	CCBHC Non Medicaid Cost		(10,261,247)	(4,721,672)	(14,165,015)
41					
42	**CCBHC Net Surplus/(Deficit)**		**3,023,886**	**3,129,979**	**9,389,936**
43					

Southwest Michigan Behavioral Health

MEDICAID Summary Income Statement

For the Fiscal YTD Period Ended 1/31/2025

	Total Region	SWMBH Central	CMH Participants	Barry CMHA	Berrien CMHA	Pines Behavioral	Summit Pointe	Woodlands Behavioral	Integrated Services of Kalamazoo	Pivotal of St. Joseph	Van Buren MHA
Medicaid Specialty Services											
Contract Revenue	$ 85,858,669	$ 3,849,467	$ 82,009,202	$ 3,450,222	$ 15,937,232	$ 4,207,821	$ 14,836,848	$ 5,541,040	$ 23,818,956	$ 5,369,684	$ 8,847,398
Budget v Actual	$ (2,808,098)	$ (5,403,416)	$ 2,595,318	$ (13,320)	$ 850,204	$ (113,411)	$ 820,636	$ 268,389	$ (565,671)	$ (8,119)	$ 1,356,610
% Variance - Fav / (Unfav)	-3.2%	-58.4%	3.3%	-0.4%	5.6%	-2.6%	5.9%	5.1%	-2.3%	-0.2%	18.1%
Healthcare Cost	$ 83,235,514	$ 2,064,843	$ 81,170,671	$ 2,213,076	$ 15,447,752	$ 3,450,924	$ 14,766,555	$ 6,194,447	$ 24,940,151	$ 6,599,039	$ 7,558,727
Budget v Actual	$ 2,026,887	$ 2,665,704	$ (638,817)	$ 409,457	$ (637,494)	$ 433,933	$ (976,725)	$ (249,370)	$ 1,270,847	$ (535,099)	$ (354,367)
% Variance - Fav / (Unfav)	2.4%	56.4%	-0.8%	15.6%	-4.3%	11.2%	-7.1%	-4.2%	4.8%	-8.8%	-4.9%
MLR	96.9%	53.6%	99.0%	64.1%	96.9%	82.0%	99.5%	111.8%	104.7%	122.9%	85.4%
Managed Care Administration	$ 9,606,841	$ 1,996,383	$ 7,610,457	$ 360,551	$ 1,624,265	$ 230,351	$ 1,596,786	$ 557,839	$ 1,865,840	$ 593,782	$ 781,044
Budget v Actual	$ 456,919	$ 650,403	$ (193,484)	$ (134,129)	$ (147,399)	$ 37,037	$ (136,337)	$ (110,465)	$ 432,513	$ (66,483)	$ (68,221)
% Variance - Fav / (Unfav)	4.5%	24.6%	-2.6%	-59.2%	-10.0%	13.9%	-9.3%	-24.7%	18.8%	-12.6%	-9.6%
ACR	10.3%	2.2%	8.2%	14.0%	9.5%	6.3%	9.8%	8.3%	7.0%	8.3%	9.4%
Total Contract Cost	$ 92,842,355	$ 4,061,227	$ 88,781,128	$ 2,573,627	$ 17,072,017	$ 3,681,275	$ 16,363,341	$ 6,752,286	$ 26,805,991	$ 7,192,822	$ 8,339,771
Budget v Actual	$ 2,483,806	$ 3,316,107	$ (832,301)	$ 275,329	$ (784,892)	$ 470,970	$ (1,113,062)	$ (359,835)	$ 1,703,359	$ (601,582)	$ (422,588)
Variance - Favorable / (Unfavorable)	2.6%	44.9%	-0.9%	9.7%	-4.8%	11.3%	-7.3%	-5.6%	6.0%	-9.1%	-5.3%
Net before Settlement	$ (6,983,686)	$ (211,760)	$ (6,771,926)	$ 876,595	$ (1,134,785)	$ 526,546	$ (1,526,492)	$ (1,211,246)	$ (2,987,035)	$ (1,823,137)	$ 507,628
Budget v Actual	$ (324,292)	$ (2,087,309)	$ 1,763,016	$ 262,009	$ 65,312	$ 357,558	$ (292,426)	$ (91,446)	$ 1,137,688	$ (609,700)	$ 934,022
Variance - Favorable / (Unfavorable)	-4.9%	-111.3%	20.7%	42.6%	5.4%	211.6%	-23.7%	-8.2%	27.6%	-50.2%	219.1%

Note: HMP Savings can be applied to Medicaid cost savings or ISF

Date: 3/5/2025

within +/- 2%
>2% favorable
between -2&-4%
>4% unfavorable

Southwest Michigan Behavioral Health

HEALTHY MICHIGAN Summary Income Statement

For the Fiscal YTD Period Ended 1/31/2025

	Total Region	SWMBH Central	CMH Participants	Barry CMHA	Berrien CMHA	Pines Behavioral	Summit Pointe	Woodlands Behavioral	Integrated Services of Kalamazoo	Pivotal of St. Joseph	Van Buren MHA
	-	-	-	-	-	-	-	-	-	-	-
Healthy Michigan Plan (HMP)											
Contract Revenue	$ 9,527,167	$ 2,516,601	$ 7,010,566	$ 298,172	$ 1,522,834	$ 225,622	$ 1,600,729	$ 578,067	$ 1,584,781	$ 580,376	$ 619,986
Budget v Actual	$ (5,014,956)	$ (1,720,044)	$ (3,294,912)	$ (202,748)	$ (551,356)	$ (229,440)	$ (251,060)	$ (173,419)	$ (1,402,887)	$ (174,738)	$ (309,265)
% Variance - Fav / (Unfav)	-34.5%	-40.6%	-32.0%	-40.5%	-26.6%	-50.4%	-13.6%	-23.1%	-47.0%	-23.1%	-33.3%
Healthcare Cost	$ 9,365,366	$ 2,788,898	$ 6,576,468	$ 326,268	$ 1,287,323	$ 272,760	$ 1,493,618	$ 609,344	$ 1,438,721	$ 600,267	$ 548,167
Budget v Actual	$ 2,782,641	$ 2,114,725	$ 667,916	$ (63,875)	$ (189,687)	$ (32,749)	$ 388,505	$ (19,621)	$ 307,049	$ (35,220)	$ 313,514
% Variance - Fav / (Unfav)	22.9%	43.1%	9.2%	-24.3%	-17.3%	-13.6%	20.6%	-3.3%	17.6%	-6.2%	36.4%
MLR	98.3%	110.8%	93.8%	109.4%	84.5%	120.9%	93.3%	105.4%	90.8%	103.4%	88.4%
Managed Care Administration	$ 1,193,947	$ 220,620	$ 973,327	$ 91,292	$ 199,683	$ 34,336	$ 301,608	$ 58,458	$ 107,633	$ 72,703	$ 107,614
Budget v Actual	$ (46,711)	$ 105,532	$ (152,243)	$ (69,182)	$ (30,904)	$ 1,902	$ (55,381)	$ (10,667)	$ 43,960	$ (2,866)	$ (29,105)
% Variance - Fav / (Unfav)	-4.1%	32.4%	-18.5%	-312.9%	-18.3%	5.2%	-22.5%	-22.3%	29.0%	-4.1%	-37.1%
ACR	11.3%	2.1%	9.2%	21.9%	13.4%	11.2%	16.8%	8.8%	7.0%	10.8%	16.4%
Total Contract Cost	$ 10,559,313	$ 3,009,518	$ 7,549,795	$ 417,560	$ 1,487,006	$ 307,096	$ 1,795,225	$ 667,802	$ 1,546,355	$ 672,971	$ 655,781
Budget v Actual	$ 13,295,243	$ 5,229,774	$ 8,065,468	$ 284,503	$ 1,266,414	$ 276,249	$ 2,128,350	$ 637,514	$ 1,897,363	$ 634,885	$ 940,190
% Variance - Fav / (Unfav)	20.6%	42.5%	6.4%	-46.8%	-17.4%	-11.2%	15.7%	-4.8%	18.5%	-6.0%	30.3%
Net before Settlement	$ (1,032,146)	$ (492,916)	$ (539,229)	$ (119,388)	$ 35,828	$ (81,474)	$ (194,497)	$ (89,735)	$ 38,427	$ (92,595)	$ (35,795)
Budget v Actual	$ (2,279,026)	$ 500,213	$ (2,779,239)	$ (335,805)	$ (771,947)	$ (260,287)	$ 82,064	$ (203,707)	$ (1,051,879)	$ (212,823)	$ (24,856)
% Variance - Fav / (Unfav)	-182.8%	50.4%	-124.1%	-155.2%	-95.6%	-145.6%	29.7%	-178.7%	-96.5%	-177.0%	-227.2%

Note: HMP Savings can be applied to Medicaid cost savings or ISF

Date: 3/5/2025

within +/- 2%
>2% favorable
between -2&-4%
>4% unfavorable

	E	F	H	J	K	M	N	P	Q	R	S
1	***Southwest Michigan Behavioral Health***			*Mos in Period*							
2	For the Fiscal YTD Period Ended 1/31/2025		**P04FYTD24**	**4**							
3	*(For Internal Management Purposes Only)*										
4	***INCOME STATEMENT***		**TOTAL**	**Medicaid Contract**	**Healthy Michigan Contract**	**Opioid Health Home Contract**	**CCBHC**	**MH Block Grant Contracts**	**SA Block Grant Contract**	**SA PA2 Funds Contract**	**SWMBH Central**
5											
6	**REVENUE**										
18	Contract Revenue		132,646,156	85,625,694	9,527,167	535,057	32,436,423	172,045	3,257,532	1,092,238	-
19	DHHS Incentive Payments		232,976	232,976	-	-	-	-	-	-	-
21	Interest Income - Working Capital		277,410	-	-	-	-	-	-	-	277,410
22	Interest Income - ISF Risk Reserve		207,981	-	-	-	-	-	-	-	207,981
23	Local Funds Contributions		284,173	-	-	-	-	-	-	-	284,173
24	Other Local Income		-	-	-	-	-	-	-	-	-
25											
26	**TOTAL REVENUE**		**133,648,695**	**85,858,669**	**9,527,167**	**535,057**	**32,436,423**	**172,045**	**3,257,532**	**1,092,238**	**769,564**
27											
28	**EXPENSE**										
29	**Healthcare Cost**										
30	Provider Claims Cost		7,755,557	1,351,125	2,526,526	318,065	-	10,161	3,026,898	522,594	-
31	CMHP Subcontracts, net of 1st & 3rd party		112,952,957	81,170,671	6,576,468	-	25,116,923	-	88,895	-	-
32	Insurance Provider Assessment Withhold (IPA)		976,090	713,718	262,372	-	-	-	-	-	-
33	Medicaid Hospital Rate Adjustments		-	-	-	-	-	-	-	-	-
34	MHL Cost in Excess of Medicare FFS Cost		-	192	-	-	-		-	-	-
35											
36	**Total Healthcare Cost**		**121,684,604**	**83,235,706**	**9,365,366**	**318,065**	**25,116,923**	**10,161**	**3,115,793**	**522,594**	**-**
37	**Medical Loss Ratio (HCC % of Revenue)**		**91.6%**	**96.9%**	**98.3%**	**59.4%**	**77.4%**		**95.6%**	**47.8%**	
38											
40	Purchased Professional Services		143,697	-	-	-	-	-	-	-	143,697
41	Administrative and Other Cost		3,120,789	-	-	-	-	161,884	61,133	-	2,896,047
43	Depreciation		-	-	-	-	-	-	-	-	-
44	Functional Cost Reclassification		-	-	-	-	-	-	-	-	-
45	Allocated Indirect Pooled Cost		0	-	-	-	-	-	-	-	1,725
46	Delegated Managed Care Admin		8,583,785	7,610,457	973,327	-	-	-	-	-	-
47	Apportioned Central Mgd Care Admin		0	1,996,383	220,620	7,709	608,732	4,170	80,607	-	(2,918,225)
48											
49	**Total Administrative Cost**		**11,848,270**	**9,606,841**	**1,193,947**	**7,709**	**608,732**	**166,054**	**141,739.07**	**-**	**123,244**
50	**Admin Cost Ratio (MCA % of Total Cost)**		**8.9%**	**10.3%**	**11.3%**	**2.4%**	**2.4%**		**4.4%**	**0.0%**	**2.2%**
51											
52	Local Funds Contribution		284,173	-	-	-	-	-	-	-	284,173
54											
55	**TOTAL COST after apportionment**		**133,817,048**	**92,842,547**	**10,559,313**	**325,774**	**25,725,656**	**176,215**	**3,257,532**	**522,594**	**407,417**
56											
57	**NET SURPLUS before settlement**		**(168,353)**	**(6,983,878)**	**(1,032,146)**	**209,283**	**6,710,767**	**(4,170)**	**-**	**569,644**	**362,147**
58	**Net Surplus (Deficit) % of Revenue**		**-0.1%**	**-8.1%**	**-10.8%**	**39.1%**	**20.7%**	**-2.4%**	**0.0%**	**52.2%**	**47.1%**
60	Prior Year Savings		-	-	-	-	-		-	-	-
61	Change in PA2 Fund Balance		(569,644)	-	-	-	-		-	(569,644)	-
62											
63	ISF Risk Reserve Abatement (Funding)		(207,981)	-	-	-	-		-	-	(207,981)
64	ISF Risk Reserve Deficit (Funding)		1,461,462	1,461,462	-	-	-		-	-	-
65	CCBHC Supplemental Reciveable (Payable)		(1,389,311)				(1,389,311)				
66	Settlement Receivable / (Payable)		0	(822,863)	1,032,146	(209,283)	-	-	-	-	-
67	**NET SURPLUS (DEFICIT)**		**(873,825)**	**(6,345,278)**	**-**	**-**	**5,321,457**	**(4,170)**	**-**	**-**	**154,166**
68	*HMP & Autism is settled with Medicaid*										
69											
70	**SUMMARY OF NET SURPLUS (DEFICIT)**										
71	Prior Year Unspent Savings		-	-	-	-	-		-	-	-
72	Current Year Savings		-	-	-	-	-		-	-	-
73	Current Year Public Act 2 Fund Balance		-	-	-	-	-		-	-	-
74	Local and Other Funds Surplus/(Deficit)		(873,825)	(6,345,278)	-	-	5,321,457	(4,170)	-	-	154,166
75											
76	**NET SURPLUS (DEFICIT)**		**(873,825)**	**(6,345,278)**	**-**	**-**	**5,321,457**	**(4,170)**	**-**	**-**	**154,166**

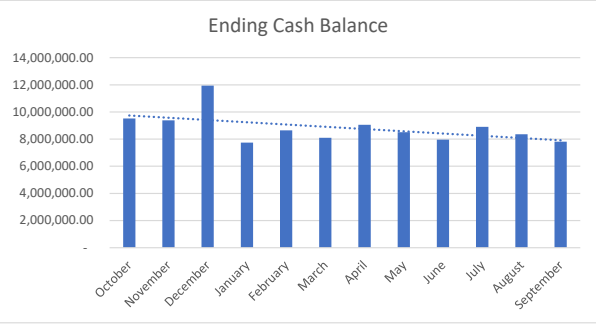
	F	G	H	I	J	K	L	M	N	O	P	Q	R
1	**Southwest Michigan Behavioral Health**			*Mos in Period*									
2	For the Fiscal YTD Period Ended 1/31/2025			4									
3	*(For Internal Management Purposes Only)*			ok									
4	**INCOME STATEMENT**		Total SWMBH	SWMBH Central	CMH Participants	Barry CMHA	Berrien CMHA	Pines Behavioral	Summit Pointe	Woodlands Behavioral	Integrated Services of Kalamazoo	St Joseph CMHA	Van Buren MHA
5													
6	**Medicaid Specialty Services**			*HCC%*		43.1%	70.3%	58.9%	66.3%	85.8%	84.8%	65.6%	67.3%
7	Subcontract Revenue		85,625,694	3,616,491	82,009,202	3,450,222	15,937,232	4,207,821	14,836,848	5,541,040	23,818,956	5,369,684	8,847,398
8	Incentive Payment Revenue		232,976	232,976	-	-	-	-	-	-	-	-	-
9	**Contract Revenue**		**85,858,669**	**3,849,467**	**82,009,202**	**3,450,222**	**15,937,232**	**4,207,821**	**14,836,848**	**5,541,040**	**23,818,956**	**5,369,684**	**8,847,398**
10													
11	External Provider Cost		76,896,920	1,351,125	75,545,795	1,799,594	14,935,560	3,353,641	13,692,420	4,543,737	24,218,886	6,344,853	6,657,104
12	Internal Program Cost		5,663,242	-	5,663,242	413,482	515,984	99,137	1,074,134	1,650,710	722,360	254,186	933,248
13	SSI Reimb, 1st/3rd Party Cost Offset		(38,366)	-	(38,366)	-	(3,792)	(1,854)	-	-	(1,095)	-	(31,625)
14	Insurance Provider Assessment Withhold (IPA)		713,718	713,718	-	-	-	-	-	-	-	-	-
16	**Total Healthcare Cost**		**83,235,514**	**2,064,843**	**81,170,671**	**2,213,076**	**15,447,752**	**3,450,924**	**14,766,555**	**6,194,447**	**24,940,151**	**6,599,039**	**7,558,727**
17	**Medical Loss Ratio (HCC % of Revenue)**		**96.9%**	**53.6%**	**99.0%**	**64.1%**	**96.9%**	**82.0%**	**99.5%**	**111.8%**	**104.7%**	**122.9%**	**85.4%**
18													
19	**Managed Care Administration**		**9,606,841**	**1,996,383**	**7,610,457**	**360,551**	**1,624,265**	**230,351**	**1,596,786**	**557,839**	**1,865,840**	**593,782**	**781,044**
20	**Admin Cost Ratio (MCA % of Total Cost)**		**10.3%**	**2.2%**	**8.2%**	**14.0%**	**9.5%**	**6.3%**	**9.8%**	**8.3%**	**7.0%**	**8.3%**	**9.4%**
21													
22	**Contract Cost**		**92,842,355**	**4,061,227**	**88,781,128**	**2,573,627**	**17,072,017**	**3,681,275**	**16,363,341**	**6,752,286**	**26,805,991**	**7,192,822**	**8,339,771**
23	**Net before Settlement**		**(6,983,686)**	**(211,760)**	**(6,771,926)**	**876,595**	**(1,134,785)**	**526,546**	**(1,526,492)**	**(1,211,246)**	**(2,987,035)**	**(1,823,137)**	**507,628**
24													
25	Prior Year Savings		-	-	-	-	-	-	-	-	-	-	-
26	Internal Service Fund Risk Reserve		1,461,462	1,461,462	-	-	-	-	-	-	-	-	-
27	Contract Settlement / Redistribution		(822,863)	(7,594,789)	6,771,926	(876,595)	1,134,785	(526,546)	1,526,492	1,211,246	2,987,035	1,823,137	(507,628)
28	**Net after Settlement**		**(6,345,086)**	**(6,345,086)**	**0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29													
30	**Eligibles and PMPM**												
31	Average Eligibles		148,692	148,692	148,692	7,750	28,099	8,800	29,096	8,587	39,969	11,652	14,739
32	Revenue PMPM		$ 144.36	$ 6.47	$ 137.88	$ 111.30	$ 141.80	$ 119.54	$ 127.48	$ 161.32	$ 148.98	$ 115.21	$ 150.07
33	Expense PMPM		$ 156.10	$ 6.83	$ 149.27	$ 83.02	$ 151.89	$ 104.58	$ 140.60	$ 196.58	$ 167.67	$ 154.33	$ 141.46
34	Margin PMPM		$ (11.74)	$ (0.36)	$ (11.39)	$ 28.28	$ (10.10)	$ 14.96	$ (13.12)	$ (35.26)	$ (18.68)	$ (39.12)	$ 8.61
35													
36	**Medicaid Specialty Services**												
37	**Budget v Actual**												
38													
39	**Eligible Lives (Average Eligibles)**												
40	Actual		148,692	148,692	148,692	7,750	28,099	8,800	29,096	8,587	39,969	11,652	14,739
41	Budget		163,202	163,202	163,202	8,863	30,720	9,623	31,859	9,485	43,130	13,220	16,302
42	Variance - Favorable / (Unfavorable)		(14,510)	(14,510)	(14,510)	(1,113)	(2,621)	(823)	(2,763)	(898)	(3,161)	(1,568)	(1,563)
43	% Variance - Fav / (Unfav)		-8.9%	-8.9%	-8.9%	-12.6%	-8.5%	-8.6%	-8.7%	-9.5%	-7.3%	-11.9%	-9.6%
44													
45	**Contract Revenue before settlement**												
46	Actual		85,858,669	3,849,467	82,009,202	3,450,222	15,937,232	4,207,821	14,836,848	5,541,040	23,818,956	5,369,684	8,847,398
47	Budget		88,666,768	9,252,883	79,413,885	3,463,542	15,087,029	4,321,232	14,016,212	5,272,651	24,384,628	5,377,803	7,490,788
48	Variance - Favorable / (Unfavorable)		(2,808,098)	(5,403,416)	2,595,318	(13,320)	850,204	(113,411)	820,636	268,389	(565,671)	(8,119)	1,356,610
49	% Variance - Fav / (Unfav)		-3.2%	-58.4%	3.3%	-0.4%	5.6%	-2.6%	5.9%	5.1%	-2.3%	-0.2%	18.1%
50													
51	**Healthcare Cost**												
52	Actual		83,235,514	2,064,843	81,170,671	2,213,076	15,447,752	3,450,924	14,766,555	6,194,447	24,940,151	6,599,039	7,558,727
53	Budget		85,262,401	4,730,548	80,531,853	2,622,533	14,810,258	3,884,857	13,789,829	5,945,078	26,210,998	6,063,941	7,204,360
54	Variance - Favorable / (Unfavorable)		2,026,887	2,665,704	(638,817)	409,457	(637,494)	433,933	(976,725)	(249,370)	1,270,847	(535,099)	(354,367)
55	% Variance - Fav / (Unfav)		2.4%	56.4%	-0.8%	15.6%	-4.3%	11.2%	-7.1%	-4.2%	4.8%	-8.8%	-4.9%
56													
57	**Managed Care Administration**												
58	Actual		9,606,841	1,996,383	7,610,457	360,551	1,624,265	230,351	1,596,786	557,839	1,865,840	593,782	781,044
59	Budget		10,063,760	2,646,786	7,416,973	226,422	1,476,866	267,388	1,460,449	447,374	2,298,352	527,299	712,823
60	Variance - Favorable / (Unfavorable)		456,919	650,403	(193,484)	(134,129)	(147,399)	37,037	(136,337)	(110,465)	432,513	(66,483)	(68,221)
61	% Variance - Fav / (Unfav)		4.5%	24.6%	-2.6%	-59.2%	-10.0%	13.9%	-9.3%	-24.7%	18.8%	-12.6%	-9.6%
62													
63													
64	**Total Contract Cost**												
65	Actual		92,842,355	4,061,227	88,781,128	2,573,627	17,072,017	3,681,275	16,363,341	6,752,286	26,805,991	7,192,822	8,339,771
66	Budget		95,326,161	7,377,334	87,948,827	2,848,955	16,287,125	4,152,245	15,250,278	6,392,451	28,509,350	6,591,240	7,917,183
67	Variance - Favorable / (Unfavorable)		2,483,806	3,316,107	(832,301)	275,329	(784,892)	470,970	(1,113,062)	(359,835)	1,703,359	(601,582)	(422,588)
68	% Variance - Fav / (Unfav)		2.6%	44.9%	-0.9%	9.7%	-4.8%	11.3%	-7.3%	-5.6%	6.0%	-9.1%	-5.3%
69													
70	**Net before Settlement**												
71	Actual		(6,983,686)	(211,760)	(6,771,926)	876,595	(1,134,785)	526,546	(1,526,492)	(1,211,246)	(2,987,035)	(1,823,137)	507,628
72	Budget		(6,659,393)	1,875,549	(8,534,942)	614,587	(1,200,096)	168,987	(1,234,066)	(1,119,800)	(4,124,723)	(1,213,437)	(426,394)
73	Variance - Favorable / (Unfavorable)		(324,292)	(2,087,309)	1,763,016	262,009	65,312	357,558	(292,426)	(91,446)	1,137,688	(609,700)	934,022
74			-4.9%	-111.3%	20.7%	42.6%	5.4%	211.6%	-23.7%	-8.2%	27.6%	-50.2%	219.1%
75													

	F	G	H	I	J	K	L	M	N	O	P	Q	R
1	**Southwest Michigan Behavioral Health**			*Mos in Period*									
2	For the Fiscal YTD Period Ended 1/31/2025			4									
3	*(For Internal Management Purposes Only)*			*ok*									
4	***INCOME STATEMENT***		**Total SWMBH**	**SWMBH Central**	**CMH Participants**	**Barry CMHA**	**Berrien CMHA**	**Pines Behavioral**	**Summit Pointe**	**Woodlands Behavioral**	**Integrated Services of Kalamazoo**	**St Joseph CMHA**	**Van Buren MHA**
5													
76	***Healthy Michigan Plan***			*HCC%*		6.4%	5.9%	4.7%	6.7%	8.4%	10.8%	6.0%	4.9%
77	**Contract Revenue**		**9,527,167**	**2,516,601**	**7,010,566**	**298,172**	**1,522,834**	**225,622**	**1,600,729**	**578,067**	**1,584,781**	**580,376**	**619,986**
78													
79	External Provider Cost		8,310,755	2,526,526	5,784,228	314,979	1,228,590	246,552	1,384,255	89,231	1,435,254	563,480	521,887
80	Internal Program Cost		793,834	-	793,834	11,289	60,279	26,208	109,363	520,113	3,516	36,787	26,279
81	SSI Reimb, 1st/3rd Party Cost Offset		(1,594)	-	(1,594)	-	(1,546)	-	-	-	(48)	-	-
82	Insurance Provider Assessment Withhold (IPA)		262,372	262,372	-	-	-	-	-	-	-	-	-
83	**Total Healthcare Cost**		**9,365,366**	**2,788,898**	**6,576,468**	**326,268**	**1,287,323**	**272,760**	**1,493,618**	**609,344**	**1,438,721**	**600,267**	**548,167**
84	**Medical Loss Ratio (HCC % of Revenue)**		**98.3%**	**110.8%**	**93.8%**	**109.4%**	**84.5%**	**120.9%**	**93.3%**	**105.4%**	**90.8%**	**103.4%**	**88.4%**
85													
86	**Managed Care Administration**		**1,193,947**	**220,620**	**973,327**	**91,292**	**199,683**	**34,336**	**301,608**	**58,458**	**107,633**	**72,703**	**107,614**
87	**Admin Cost Ratio (MCA % of Total Cost)**		**11.3%**	**2.1%**	**9.2%**	**21.9%**	**13.4%**	**11.2%**	**16.8%**	**8.8%**	**7.0%**	**10.8%**	**16.4%**
88													
89	**Contract Cost**		**10,559,313**	**3,009,518**	**7,549,795**	**417,560**	**1,487,006**	**307,096**	**1,795,225**	**667,802**	**1,546,355**	**672,971**	**655,781**
90	**Net before Settlement**		**(1,032,146)**	**(492,916)**	**(539,229)**	**(119,388)**	**35,828**	**(81,474)**	**(194,497)**	**(89,735)**	**38,427**	**(92,595)**	**(35,795)**
91													
92	Prior Year Savings		-	-	-	-	-	-	-	-	-	-	-
93	Internal Service Fund Risk Reserve		-	-	-	-	-	-	-	-	-	-	-
94	Contract Settlement / Redistribution		1,032,146	492,916	539,229	119,388	(35,828)	81,474	194,497	89,735	(38,427)	92,595	35,795
95	**Net after Settlement**		**(0)**	**(0)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
96													
97	**Eligibles and PMPM**												
98	Average Eligibles		54,661	54,661	54,661	2,619	11,423	2,666	10,428	3,143	15,528	4,057	4,798
99	Revenue PMPM		$ 43.57	$ 11.51	$ 32.06	$ 28.47	$ 33.33	$ 21.16	$ 38.37	$ 45.98	$ 25.52	$ 35.76	$ 32.31
100	Expense PMPM		48.29	13.76	34.53	39.87	32.54	28.80	43.04	53.12	24.90	41.47	34.17
101	Margin PMPM		$ (4.72)	$ (2.25)	$ (2.47)	$ (11.40)	$ 0.78	$ (7.64)	$ (4.66)	$ (7.14)	$ 0.62	$ (5.71)	$ (1.87)
102													
103	***Healthy Michigan Plan***												
104	**Budget v Actual**												
105													
106	**Eligible Lives (Average Eligibles)**												
107	Actual		54,661	54,661	54,661	2,619	11,423	2,666	10,428	3,143	15,528	4,057	4,798
108	Budget		66,175	66,175	66,175	3,411	13,229	3,209	12,205	3,854	18,971	5,038	6,258
109	Variance - Favorable / (Unfavorable)		(11,514)	(11,514)	(11,514)	(793)	(1,806)	(544)	(1,777)	(711)	(3,443)	(981)	(1,460)
110	% Variance - Fav / (Unfav)		-17.4%	-17.4%	-17.4%	-23.2%	-13.7%	-16.9%	-14.6%	-18.5%	-18.1%	-19.5%	-23.3%
111													
112	**Contract Revenue before settlement**												
113	Actual		9,527,167	2,516,601	7,010,566	298,172	1,522,834	225,622	1,600,729	578,067	1,584,781	580,376	619,986
114	Budget		14,542,123	4,236,645	10,305,478	500,920	2,074,189	455,062	1,851,789	751,486	2,987,668	755,113	929,251
115	Variance - Favorable / (Unfavorable)		(5,014,956)	(1,720,044)	(3,294,912)	(202,748)	(551,356)	(229,440)	(251,060)	(173,419)	(1,402,887)	(174,738)	(309,265)
116	% Variance - Fav / (Unfav)		-34.5%	-40.6%	-32.0%	-40.5%	-26.6%	-50.4%	-13.6%	-23.1%	-47.0%	-23.1%	-33.3%
117													
118	**Healthcare Cost**												
119	Actual		9,365,366	2,788,898	6,576,468	326,268	1,287,323	272,760	1,493,618	609,344	1,438,721	600,267	548,167
120	Budget		12,148,007	4,903,623	7,244,384	262,393	1,097,636	240,011	1,882,122	589,724	1,745,770	565,047	861,681
121	Variance - Favorable / (Unfavorable)		2,782,641	2,114,725	667,916	(63,875)	(189,687)	(32,749)	388,505	(19,621)	307,049	(35,220)	313,514
122	% Variance - Fav / (Unfav)		22.9%	43.1%	9.2%	-24.3%	-17.3%	-13.6%	20.6%	-3.3%	17.6%	-6.2%	36.4%
123													
124	**Managed Care Administration**												
125	Actual		1,193,947	220,620	973,327	91,292	199,683	34,336	301,608	58,458	107,633	72,703	107,614
126	Budget		1,147,236	326,151	821,085	22,110	168,779	36,238	246,227	47,791	151,593	69,837	78,509
127	Variance - Favorable / (Unfavorable)		(46,711)	105,532	(152,243)	(69,182)	(30,904)	1,902	(55,381)	(10,667)	43,960	(2,866)	(29,105)
128	% Variance - Fav / (Unfav)		-4.1%	32.4%	-18.5%	-312.9%	-18.3%	5.2%	-22.5%	-22.3%	29.0%	-4.1%	-37.1%
129													
130	**Total Contract Cost**												
131	Actual		10,559,313	3,009,518	7,549,795	417,560	1,487,006	307,096	1,795,225	667,802	1,546,355	672,971	655,781
132	Budget		13,295,243	5,229,774	8,065,468	284,503	1,266,414	276,249	2,128,350	637,514	1,897,363	634,885	940,190
133	Variance - Favorable / (Unfavorable)		2,735,930	2,220,257	515,673	(133,057)	(220,592)	(30,846)	333,124	(30,288)	351,008	(38,086)	284,409
134	% Variance - Fav / (Unfav)		20.6%	42.5%	6.4%	-46.8%	-17.4%	-11.2%	15.7%	-4.8%	18.5%	-6.0%	30.3%
135													
136	**Net before Settlement**												
137	Actual		(1,032,146)	(492,916)	(539,229)	(119,388)	35,828	(81,474)	(194,497)	(89,735)	38,427	(92,595)	(35,795)
138	Budget		1,246,880	(993,130)	2,240,010	216,417	807,775	178,813	(276,560)	113,971	1,090,305	120,229	(10,939)
139	Variance - Favorable / (Unfavorable)		(2,279,026)	500,213	(2,779,239)	(335,805)	(771,947)	(260,287)	82,064	(203,707)	(1,051,879)	(212,823)	(24,856)
140			-182.8%	50.4%	-124.1%	-155.2%	-95.6%	-145.6%	29.7%	-178.7%	-96.5%	-177.0%	-227.2%
141													
142	***Certified Community Behavioral Health Clin***			*HCC%*		0.0%	0.0%	0.0%	0.0%	0.0%	27.8%	0.0%	0.0%
143	**Contract Revenue**		**32,436,423**	**1,452,643**	**30,983,780**	**1,936,972**	**5,827,292**	**2,269,263**	**6,193,757**	**-**	**12,162,944**	**2,593,552**	**-**
144													
145	External Provider Cost		2,153,435	-	2,153,435	-	-	-	-	-	2,153,435	-	-

	F	G	H	I	J	K	L	M	N	O	P	Q	R
1	***Southwest Michigan Behavioral Health***			*Mos in Period*									
2	For the Fiscal YTD Period Ended 1/31/2025			4									
3	*(For Internal Management Purposes Only)*			*ok*									
4	***INCOME STATEMENT***		**Total SWMBH**	**SWMBH Central**	**CMH Participants**	**Barry CMHA**	**Berrien CMHA**	**Pines Behavioral**	**Summit Pointe**	**Woodlands Behavioral**	**Integrated Services of Kalamazoo**	**St Joseph CMHA**	**Van Buren MHA**
5													
146	Internal Program Cost		22,981,990	-	22,981,990	2,073,529	4,105,590	1,614,914	4,382,999	-	8,653,265	2,151,692	-
147	CCBHC General Fund Pass-through		-	-	-	-	-	-	-	-	-	-	-
148	SSI Reimb, 1st/3rd Party Cost Offset		(18,501)	-	(18,501)	-	-	-	-	-	-	(18,501)	-
150	**Total Healthcare Cost**		**25,116,923**	**-**	**25,116,923**	**2,073,529**	**4,105,590**	**1,614,914**	**4,382,999**	**-**	**10,806,700**	**2,133,191**	**-**
151	**Medical Loss Ratio (HCC % of Revenue)**		**77.4%**	**0.0%**	**81.1%**	**107.1%**	**70.5%**	**71.2%**	**70.8%**	**0.0%**	**88.8%**	**82.2%**	**0.0%**
152													
153	**Managed Care Administration**		**608,732**	**608,732**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
154	**Admin Cost Ratio (MCA % of Total Cost)**		**2.4%**	**2.4%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
155													
156	**Contract Cost**		**25,725,656**	**608,732**	**25,116,923**	**2,073,529**	**4,105,590**	**1,614,914**	**4,382,999**	**-**	**10,806,700**	**2,133,191**	**-**
157	**Net before Settlement**		**6,710,767**	**843,911**	**5,866,857**	**(136,557)**	**1,721,702**	**654,348**	**1,810,758**	**-**	**1,356,244**	**460,361**	**-**
158	PPS-1 Supplemental Payment Difference		(1,389,311)	-	(1,389,311)	4,412	(773,423)	(116,255)	(1,641,557)	-	450,759	686,754	-
159	Contract Settlement / Redistribution		5,321,457	843,911	4,477,546	(132,145)	948,280	538,093	169,201	-	1,807,003	1,147,116	-
160	**Net after Settlement**		**5,321,457**	**843,911**	**4,477,546**	**(132,145)**	**948,280**	**538,093**	**169,201**	**-**	**1,807,003**	**1,147,116**	**-**
161													
162													
181	***SWMBH CMHP Subcontracts***												
182	Subcontract Revenue		127,589,284	7,585,735	120,003,549	5,685,366	23,287,359	6,702,705	22,631,334	6,119,107	37,566,681	8,543,613	9,467,384
183	Incentive Payment Revenue		232,976	232,976	-	-	-	-	-	-	-	-	-
184	**Contract Revenue**		**127,822,260**	**7,818,711**	**120,003,549**	**5,685,366**	**23,287,359**	**6,702,705**	**22,631,334**	**6,119,107**	**37,566,681**	**8,543,613**	**9,467,384**
185													
186	External Provider Cost		87,361,109	3,877,652	83,483,458	2,114,573	16,164,150	3,600,193	15,076,675	4,632,968	27,807,575	6,908,333	7,178,991
187	Internal Program Cost		29,439,066	-	29,439,066	2,498,301	4,681,853	1,740,259	5,566,496	2,170,824	9,379,141	2,442,665	959,527
188	CCBHC General Fund Pass-through		-										
189	SSI Reimb, 1st/3rd Party Cost Offset		(58,461)	-	(56,867)	-	(3,792)	(1,854)	-	-	(1,095)	(18,501)	(31,625)
190	Insurance Provider Assessment Withhold (IPA)		976,090	976,090	-	-	-	-	-	-	-	-	-
192	**Total Healthcare Cost**		**117,717,804**	**4,853,741**	**112,865,657**	**4,612,873**	**20,842,211**	**5,338,598**	**20,643,171**	**6,803,792**	**37,185,621**	**9,332,498**	**8,106,893**
193	**Medical Loss Ratio (HCC % of Revenue)**		**92.1%**	**62.1%**	**94.1%**	**81.1%**	**89.5%**	**79.6%**	**91.2%**	**111.2%**	**99.0%**	**109.2%**	**85.6%**
194													
195	**Managed Care Administration**		**11,409,520**	**2,825,736**	**8,583,785**	**451,843**	**1,823,948**	**264,687**	**1,898,394**	**616,297**	**1,973,473**	**666,486**	**888,658**
196	**Admin Cost Ratio (MCA % of Total Cost)**		**8.8%**	**2.2%**	**6.6%**	**8.9%**	**8.0%**	**4.7%**	**8.4%**	**8.3%**	**5.0%**	**6.7%**	**9.9%**
197													
198	**Contract Cost**		**129,127,324**	**7,679,477**	**121,449,441**	**5,064,716**	**22,666,159**	**5,603,285**	**22,541,565**	**7,420,088**	**39,159,094**	**9,998,983**	**8,995,551**
199	**Net before Settlement**		**(1,305,064)**	**139,234**	**(1,445,893)**	**620,650**	**621,200**	**1,099,420**	**89,769**	**(1,300,981)**	**(1,592,413)**	**(1,455,371)**	**471,833**
200													
201	Prior Year Savings		-	-	-	-	-	-	-	-	-	-	-
202	Internal Service Fund Risk Reserve		1,461,462	1,461,462	-	-	-	-	-	-	-	-	-
203	Contract Settlement		5,530,739	(7,101,872)	5,921,845	(752,795)	325,534	(561,327)	79,432	1,300,981	3,399,367	2,602,486	(471,833)
204	**Net after Settlement**		**5,687,137**	**(5,501,176)**	**4,475,952**	**(132,145)**	**946,734**	**538,093**	**169,201**	**-**	**1,806,954**	**1,147,116**	**(0)**
205													

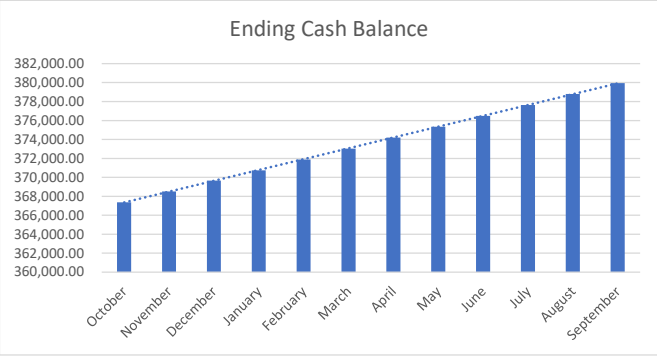
Southwest Michigan Behavioral Health
Cash Flow Analysis
Fiscal Year 2025
Operations Account

	October	November	December	January	February	March	April	May	June	July	August	September
Medicaid/HMP	21,770,700.65	22,165,013.39	21,713,007.60	21,895,358.69	22,186,473.37	21,946,110.74	21,946,110.74	21,946,110.74	21,946,110.74	21,946,110.74	21,946,110.74	21,946,110.74
Waivers	5,370,542.08	5,708,407.14	5,385,507.00	5,610,355.91	5,353,174.25	5,485,597.28	5,485,597.28	5,485,597.28	5,485,597.28	5,485,597.28	5,485,597.28	5,485,597.28
CCBHC Supplemental	4,536,320.55	4,694,283.64	4,737,804.43	4,895,288.34	4,905,158.41	4,753,771.07	4,753,771.07	4,753,771.07	4,753,771.07	4,753,771.07	4,753,771.07	4,753,771.07
Other Revenue Sources	-	164,045.15	2,757,197.69	61,336.05	1,751,931.25	-	2,757,197.69	-	-	2,757,197.69	-	-
Total Revenues	31,677,563.28	32,731,749.32	34,593,516.72	32,462,338.99	34,196,737.28	32,185,479.09	34,942,676.78	32,185,479.09	32,185,479.09	34,942,676.78	32,185,479.09	32,185,479.09
CMHSP CAP Payments	29,893,466.38	30,468,168.14	29,315,190.22	32,145,398.46	29,892,274.91	29,892,274.91	29,892,274.91	29,892,274.91	29,892,274.91	29,892,274.91	29,892,274.91	29,892,274.91
SWMBH Claims Payments	1,240,081.44	1,224,031.17	1,560,540.09	1,771,324.78	1,341,550.90	1,341,550.90	1,341,550.90	1,341,550.90	1,341,550.90	1,341,550.90	1,341,550.90	1,341,550.90
SWMBH Central Operations	1,815,772.38	1,182,428.67	1,154,290.76	2,744,728.22	2,065,100.53	1,499,100.53	2,752,353.78	1,499,100.53	1,499,100.53	2,752,353.78	1,499,100.53	1,499,100.53
Total Expenses	32,949,320.20	32,874,627.98	32,030,021.07	36,661,451.46	33,298,926.34	32,732,926.34	33,986,179.59	32,732,926.34	32,732,926.34	33,986,179.59	32,732,926.34	32,732,926.34
Net	(1,271,756.92)	(142,878.66)	2,563,495.65	(4,199,112.47)	897,810.94	(547,447.25)	956,497.19	(547,447.25)	(547,447.25)	956,497.19	(547,447.25)	(547,447.25)
Begininning Balance	10,792,873.84	9,521,116.92	9,378,238.26	11,941,733.91	7,742,621.44	8,640,432.38	8,092,985.13	9,049,482.32	8,502,035.07	7,954,587.82	8,911,085.01	8,363,637.76
Ending Cash Balance	9,521,116.92	9,378,238.26	11,941,733.91	7,742,621.44	8,640,432.38	8,092,985.13	9,049,482.32	8,502,035.07	7,954,587.82	8,911,085.01	8,363,637.76	7,816,190.51



Southwest Michigan Behavioral Health
Cash Flow Analysis
Fiscal Year 2025
Labor Risk Account

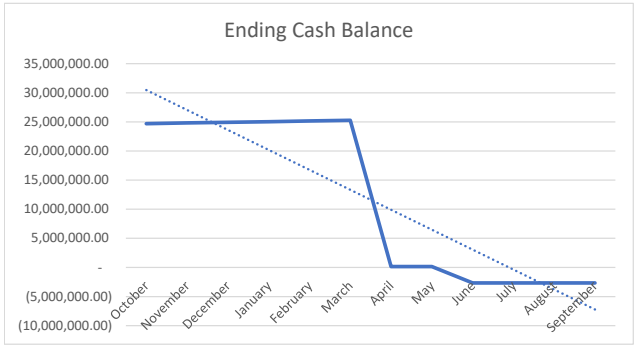
	October	November	December	January	February	March	April	May	June	July	August	September
Interest Income	1,241.67	1,145.26	1,145.26	1,069.35	1,150.39	1,150.39	1,150.39	1,150.39	1,150.39	1,150.39	1,150.39	1,150.39
Total Revenues	1,241.67	1,145.26	1,145.26	1,069.35	1,150.39	1,150.39	1,150.39	1,150.39	1,150.39	1,150.39	1,150.39	1,150.39
	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Net	1,241.67	1,145.26	1,145.26	1,069.35	1,150.39	1,150.39	1,150.39	1,150.39	1,150.39	1,150.39	1,150.39	1,150.39
Begininning Balance	366,136.16	367,377.83	368,523.09	369,668.35	370,737.70	371,888.09	373,038.47	374,188.86	375,339.24	376,489.63	377,640.01	378,790.40
Ending Cash Balance	367,377.83	368,523.09	369,668.35	370,737.70	371,888.09	373,038.47	374,188.86	375,339.24	376,489.63	377,640.01	378,790.40	379,940.78



Southwest Michigan Behavioral Health
Cash Flow Analysis
Fiscal Year 2025
Internal Service Fund

	October	November	December	January	February	March	April	May	June	July	August	September
FY24 CCBHC Settlement	-	-	-	-	-	-	-	8,600,464.66				
ICS	41,111.87	34,277.81	38,678.12	35,397.40	37,366.30	37,366.30						
ISF Non CDARS	29,578.36	27,281.75	27,281.75	27,706.55	27,962.10	27,962.10	-	-	-	-	-	-
CDARS A	27,237.72	26,447.46	22,940.32	25,611.06	25,559.14	25,559.14	-	-	-	-	-	-
CDARS B	30,773.63	29,896.83	22,106.00	25,474.88	27,062.84	27,062.84	-	-	-	-	-	-
Total Revenues	128,701.58	117,903.85	111,006.19	114,189.89	117,950.38	117,950.38	-	8,600,464.66	-	-	-	-
Prior Year Lapse - FY21									2,799,145.54			
FY24 Settlements due to CMHSP's							25,135,496.00	8,600,464.66				
	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	-	-	-	-	-	-	25,135,496.00	8,600,464.66	2,799,145.54	-	-	-
Net	128,701.58	117,903.85	111,006.19	114,189.89	117,950.38	117,950.38	(25,135,496.00)	-	(2,799,145.54)	-	-	-
Begininning Balance	24,561,549.17	24,690,250.75	24,808,154.60	24,919,160.79	25,033,350.68	25,151,301.06	25,269,251.44	133,755.44	133,755.44	(2,665,390.10)	(2,665,390.10)	(2,665,390.10)
Ending Cash Balance	24,690,250.75	24,808,154.60	24,919,160.79	25,033,350.68	25,151,301.06	25,269,251.44	133,755.44	133,755.44	(2,665,390.10)	(2,665,390.10)	(2,665,390.10)	(2,665,390.10)

Next Maturity Dates	**Current Interest Rate**
Thursday, April 3, 2025	3.83%
Thursday, March 27, 2025	3.83%



Southwest Michigan Behavioral Health (SWMBH) Financial Management Plan

This Financial Management Plan is prepared as an integral part of the annual operational and fiscal budget planning process. The Financial Management Plan shall be approved by SWMBH Board on an annual basis. Material revisions not directly a result of change in federal or state statute or regulation or SWMBH – Michigan Department of Health and Human Services MDHHS Contract terms shall also be approved by SWMBH Board before implementation. The Bylaws of SWMBH refer to the annual Financial Management Plan approved by SWMBH Board as the means to satisfy the legal requirements of the Michigan Mental Health Code, MCL 330.1204b.

SWMBH Financial Management Plan on a consolidated basis shall include:

- A Consolidated Executive Summary of the most significant operational proposals, changes or initiatives of SWMBH or a participating CMHSP, including the financial impacts thereof.
- A Consolidated Summary of Key Statistical Information, Projections and Assumptions.
- A Consolidated Summary Statement of Budgeted Income and Expense by payor and business segment.
- A description and *pro forma* computation of the manner for equitably providing for, obtaining, and allocating revenues between SWMBH and participating CMHSPs in sufficient detail to satisfy the requirements of the Michigan Mental Health Code, MCL 330.1204b(1)(c)(i).
- A description and *pro forma* computation of the method or formula for equitably allocating and financing SWMBH's capital and operating costs, payments to reserve funds authorized by law, and payments of principal and interest on obligations in sufficient detail to satisfy the requirements of the Michigan Mental Health Code, MCL 330.1204b(1)(c)(ii).
- A description and *pro forma* computation of the method for allocating any of SWMBH's other assets if applicable and in sufficient detail to satisfy the requirements of the Michigan Mental Health Code, MCL 330.1204b(1)(c)(iii).
- A description and *pro forma* computation of the manner in which, after the completion of its purpose as specified in SWMBH's bylaws, any surplus funds shall be returned to the DHHS in sufficient detail to satisfy the requirements of the Michigan Mental Health Code, MCL 330.1204b(1)(c)(iv).
- A description of the process providing for strict accountability of all funds and the manner in which reports, including an annual independent audit of all SWMBH's receipts and disbursements, shall be prepared and presented. This will be in sufficient detail to satisfy

the requirements of the Michigan Mental Health Code, MCL 330.1204b(1)(e).

- A *pro forma* of the State required financial status and other mandated reports prepared with budgetary information.

SWMBH Consolidated Financial Management Plan will be reviewed annually by participating CMHSPs. At the participating CMHSP level, the CMH proposed budget shall constitute a request for funding by SWMBH for its applicable allocated and apportioned cost. Each participating CMHSP submits to SWMBH a *pro forma* of the State required financial status and other mandated reports prepared with budgetary information.

SWMBH and participating CMHSPs will comply with The Mental Health Code, the MDHHS Rules, the MDHHS/PIHP Master Contracts, and applicable State and federal laws, regulations, rules, policies and procedures, including but not limited to Balanced Budget Act (BBA) of 1997 as amended and OMB Super Circular.

Financial Management Functions

SWMBH will be responsible for its own financial management functions. Financial management functions for SWMBH include at least the following:

1) Budgeting
2) General accounting
3) Financial reporting, analysis, and monitoring,
4) Financial risk management
5) Investments management
6) Supervision of external audits, internal audits, and internal controls
7) Payments for SUD, Financial Status Reports (FSR's) and invoices.
8) Cost allocation process

These functions will be performed by SWMBH finance staff under the management direction of SWMBH Chief Financial Officer.

Similar functions will continue to be performed at the participating CMHSPs because they are independent legal entities and have local responsibilities and independent contractual obligations outside of the business relationships with SWMBH.

1. Budgeting – Annual Projections of Revenues and Expenditures

The primary purpose of SWMBH is to contract with the State of Michigan and other payers for services and supports to be delivered to or arranged for covered eligible populations in the region. These services and supports for the regional service area will be provided or arranged for by SWMBH, its participating CMHSPs or others as agreed upon in writing.

Medicaid 1915 (b) / (c) Waiver

The annual budget shall be prepared and presented as an integral part of the annual financial

management plan to be reviewed and approved by SWMBH Board.

SWMBH CFO will provide revenue projections for each participating CMHSP. Assuming the Medicaid contract continues as a per eligible per month (PEPM) regional rate capitation for eligible populations (from MDHHS to SWMBH), the allocation of SWMBH capitation revenue to the CMHSP of financial responsibility will continue to use the same funding allocation methodology as its starting point for interim payments and annual net cost budget limitations.

This methodology would follow the demographic, coverage levels, rate cells and regional PEPM rates inherent in the regional capitation determination and would fluctuate from month to month based on actual and confirmed eligibility fluctuations. Since the contractual relationship would not be a risk-sharing capitation between SWMBH and CMHSP's, the need for actuarial determinations or findings of "actuarial soundness" of CMH sub-capitation style payments is not required. This funding methodology is best referred to as a sub-capitation style interim payment with an annual net cost budget limitation and net cost settlement.

Recognizing that a regional rate may not be equivalent to the true, appropriate and medically necessary cost of services and supports for the entire eligible population in a specific participating CMHSP's service area, "needs based" funding adjustments for benefit stabilization could be made in the annual prospective funding allocation developed by SWMBH and as approved by SWMBH Board.

SWMBH is the sole party at- risk with the MDHHS. SWMBH will cost settle with the MDHHS. SWMBH would retain any year end contract savings (Medicaid savings), risk reserves and other funds consistent with MDHHS/PIHP contract. For participating CMHSPs the annual net cost budget limitation will be established in the budget and financial management planning process and adjust for changes in eligible covered lives. SWMBH Board may approve prospective performance incentives and sanctions for participating CMHSPs upon SWMBH management request.

Participating CMHSPs shall provide to PIHP on a quarterly basis, the obligation for local funds as a bona fide source of match for Medicaid. The payments shall be submitted to SWMBH in accordance with the schedule established by the MDHHS. SWMBH and participating CMHSPs shall establish mechanisms to assure that the local match of each participating CMHSP is funded at the adequate level. Any participating CMHSP that projects a problem or issue with local match funding shall immediately notify SWMBH. A plan of correction must be completed and sent to SWMBH within ten (10) business days of the identification of the problem.

Capitation revenues by participating CMHSP will be used as the basis of allocation of regional cost and other regional financial considerations applicable to SWMBH expense. This percentage will be established annually during the budget setting process.

The net result would constitute the sub-contract annual net cost budget limitation amount for each participating CMHSP. This initial sub-contract amount would be a "costs not to exceed" and would be subject to cost settlement to be described in the subcontract between SWMBH and the participating CMHSP. Participating CMHSPs are required to provide all medically necessary services to Medicaid beneficiaries, subject to SWMBH utilization management, evidence-based practice guidelines and other relevant policy.

Healthy Michigan Plan

Allocation of Healthy Michigan Plan revenues to SWMBH is determined by the State based on participants in the plan in our region.

Autism is now included as part of the regions capitated funding. The PIHP is responsible for providing the covered services as described in the Michigan Medicaid Provider Manual.

Substance Abuse Prevention and Treatment Block Grant/PA2

Allocation of substance use prevention and treatment Block Grant and PA2 revenues among participating CMHSPs are determined by eligibles within the region, allocations based on the ~~2010~~ 2020 Census and regional county board request. PA2 funds and budgets are reserved to the sole authority of the Substance Use Disorder Oversight Policy Board.

Other Revenues

SWMBH Board considers recommendations for other contracts and thus revenues and expense allocation on a case by case basis. SWMBH Board may allocate other contracts and revenues among participating CMHSPs and SWMBH based on a number of beneficiaries or other relevant statistics. SWMBH management will determine course of action for regional grants, if any, consistent with the Operating Agreement requirements.

1. Budget Preparation

SWMBH CFO will prepare annual budget for centralized operations that include:

- An Executive Summary of significant operational proposals, changes or initiatives including the financial impacts thereof.
- A Summary of Key Statistical Information, Projections and Assumptions.
- A Summary Statement of Budgeted Income and Expense by payor and segment.
- A detail Operating Budget including revenue and expense at the account and cost center level, with a staffing table at the position and cost center level.
- A Capital Budget showing anticipated replacement or new investment in capital assets.

Annual budget for SWMBH centralized operations will be approved by SWMBH Board.

2. General Accounting

SWMBH maintains accounting and financial reporting system in accordance with Generally Accepted Accounting Principles (GAAP). The accounting procedures and internal financial controls of SWMBH shall conform to Generally Accepted Accounting Principles (GAAP) for

governmental units. SWMBH shall maintain accounts and source records in which any and all revenues received and expenses incurred are ascertainable and verifiable and include date of receipt / payment and sources of funds. SWMBH shall have a certified public accounting firm perform an annual independent audit of it in substantial conformance with the American Institute of Certified Public Accountants Guide to assess compliance with the appropriate standard accounting practices and procedures and MDHHS contract requirements.

3. Financial Reporting, Analysis, and Monitoring

SWMBH shall review its Financial Management Plan not less than annually and revise the plan as necessary to maintain an adequate and acceptable level of financial management. To ensure the financial stability of SWMBH, financial activities shall be performed in accordance with applicable federal and state guidelines, rules and regulations as may apply.
Financial management reports for SWMBH and each participating CMHSP shall be prepared monthly and presented to the respective boards of directors and administrative management. SWMBH shall establish the timing and content for required submission of financial management reports and other data from participating CMHSPs.

4.Financial Risk Management: See 8.2 Financial Risk Management Plan Investment Management

It is the business practice of SWMBH to invest remaining funds in a manner which will provide the highest available investment return with reasonable and prudent security while meeting the daily cash flow objectives of the entity and conforming to all State statutes governing investment of public funds Public Act 20 of 1943 as amended. Further information is provided on investment management in the Region Entity Investment Policy and ISF policy.

5. Supervision of External Audits, Internal Audits, and Internal Controls

Independent Annual Audit - SWMBH and each participating CMHSP shall ensure the completion of an annual financial audit performed by an independent certified public accountant. A copy of the audit report, audited financial statements, footnotes and supplementary schedules, along with the management letter and management's response to the management letter, shall be submitted to SWMBH within 5 business days of CMH Board receipt of the audit.

Compliance Examination - SWMBH will commission an independent certified public accounting firm to complete the MDHHS required compliance examination for SWMBH and each participating CMHSP. The compliance examination is to assure conformity with specified contract requirements established by SWMBH, MDHHS and other payers. A copy of the participating CMHSP compliance examination report and management's response thereto shall be submitted to SWMBH at the close of the audit, received from the PIHP commissioned auditors within 10 business days of its completion by the audit firm.

Internal Audits – SWMBH will perform internal audits on as needed basis.

Internal Controls - SWMBH shall maintain appropriate written policies, and shall maintain the procedures necessary to carry out those policies, that ensure adequate internal controls in accordance with regulatory and contractual requirements and generally accepted accounting principles.

6. Claims Adjudication and Payment

For consistency of policy, process and reporting, SWMBH will utilize a regional claims processing system/process for adjudication of all provider claims and service encounters for which it is the contract holder. Participating CMHSPs may utilize this system/process to adjudicate its external provider claims as needed or the CMHSP will adopt uniform claims adjudication and payment policies that adhere to those utilized at SWMBH or prior approved by SWMBH. This process is managed and monitored by the Operations and Compliance programs of SWMBH.

7. Cost Allocation Process

With respect to the MDHHS capitated funding SWMBH will employ a sub capitation-style interim payment methodology with annual cost settlement to fund the services and activities of the participating CMHSPs. It shall be the policy of SWMBH that SWMBH will prepare a Cost Allocation Plan as an integral part of their annual budget process and is suggested that each participating CMHSP prepare the same but must adhere to GAAP and the OMB Super Circular.

Southwest Michigan Behavioral Health (SWMBH) Financial Risk Management Plan Fiscal Year 2025~~4~~

~~*Approved Revisions September 13, 2024*~~
SWMBH ~~January 2024~~March 2025

1115 Demonstration waiver, 1915 (c)/(i), and Autism Program

SWMBH is solely responsible for Medicaid and Healthy Michigan Plan supports and services and any cost overruns at participating CMHSPs or in the aggregate. SWMBH will deduct and retain a portion of contract revenues to fund and maintain an Internal Service Fund (risk reserve) or purchase risk reinsurance, at levels appropriate for this purpose. SWMBH will maintain a funded Medicaid Internal Service Fund (ISF) Risk Reserve as its primary risk protection to assure that its risk commitment is met. This segregated risk reserve shall be funded based on state maximums and allowed risk reserve valuations in accordance with Governmental Accounting Standards Board Statement #10 (GASB10) or method deemed appropriate as described in the MDHHS contract.

Beyond this and in further protection of SWMBH, participating CMHSPs will submit timely, complete, and accurate financial information, results of operations and apportioned regional contract cost compared to sub-contract revenues which balance to actual confirmed claims and encounters. This shall be in a form and format determined by SWMBH.

This reporting will be inclusive of the activities of the CMHSP. While SWMBH has responsibility for only the regional contract activities and cost, SWMBH has to assure that it is being charged for only those costs that are ordinary and necessary, properly assigned, allocated and apportioned, for appropriate, medically necessary, covered services provided or arranged for contracted eligible beneficiaries.

Furthermore, SWMBH recognizes the importance of the financial stability and viability of participating CMHSPs. To this end, SWMBH will actively collaborate with CMHSPs to:

- **Enhance financial transparency and understanding:** Through regular communication and joint reviews, SWMBH will work with CMHSPs to ensure accurate cost tracking and reporting.
- **Provide proactive support and guidance:** SWMBH will offer ongoing technical assistance to CMHSPs, including on-site and off-site support, to assist with financial management and service delivery.
- **Develop and implement collaborative solutions:** In instances where a CMHSP may exceed or project to exceed its sub-contract revenue amount, SWMBH will work closely with the CMHSP to:
    - **Identify potential cost-saving measures:** Explore opportunities to improve efficiency and reduce unnecessary expenditures.
    - **Develop and implement a joint action plan:** Collaboratively develop and implement an Action Plan focused on long-term sustainability and improved financial performance.

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Southwest Michigan Behavioral Health (SWMBH) Financial Risk Management Plan Fiscal Year 2025~~4~~

~~It is also in SWMBH's best interest to assure itself of the financial stability and viability of participating CMHSPs. Should a participating CMHSP exceed, or project to exceed, its sub-contract revenue amount, that CMHSP will be provided additional technical support and oversight from SWMBH and/or its agents. This could include:~~

- ~~Enhanced management and financial review by SWMBH Chief Executive Officer, Chief Financial Officer, or their designees.~~
- ~~Provision of special technical assistance off-site and on-site to the CMHSP~~
- ~~Development and implementation of a Corrective Action Plan for excessive cost that could have been prevented or avoided.~~

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SWMBH, if imposed with any contractual remedies, sanctions or penalties by a regulatory body or contractual payor that is a direct result of participating CMHSP failure to perform or rectify the participating CMHSP shall hold SWMBH harmless and make whole SWMBH for cost incurred or revenues lost as a result, with non-Medicaid funds.

Healthy Michigan Plan

SWMBH is solely responsible for Healthy Michigan supports and services and any cost overruns at participating CMHSPs or in the aggregate. To this end, SWMBH will deduct and retain a portion of contract revenues to fund and maintain an Internal Service Fund (risk reserve) and/or to purchase risk reinsurance, at levels appropriate for this purpose. SWMBH maintains a funded Medicaid Internal Service Fund (ISF) Risk Reserve as its primary risk protection to assure that its risk commitment is met. This segregated risk reserve shall be funded based on actuarially determined risk reserve valuations in accordance with Governmental Accounting Standards Board Statement #10 (GASB10) or method deemed appropriate as described in the MDHHS contract.

Substance Abuse Prevention and Treatment Block Grant/PA2

Allocation of substance use prevention and treatment Block Grant and PA2 revenues among participating CMHSPs are determined by eligible within the region, allocations based on the 202~~1~~0 Census and regional county board request. PA2 funds and budgets are reserved to the sole authority of the Substance Use Disorder Oversight Policy Board. These are not entitled services and these services maybe reduced/suspended or terminated by SWMBH for lack of funding.

Other Revenues

SWMBH management and/or Board considers recommendations for other contracts and thus

revenues and expense allocation on a case-by-case basis. SWMBH Board may allocate other contracts and revenues among participating CMHSPs and SWMBH based on several beneficiaries or other relevant statistics. SWMBH management will determine course of action for regional grants, if any, consistent with the Operating Agreement requirements.

Investment Management

It is the business practice of SWMBH to invest remaining funds in a manner which will provide the highest available investment return with reasonable and prudent security while meeting the daily cash flow objectives of the entity and conforming to all State statutes governing investment of public funds. Further information is provided on investment management in the Region Entity Investment Policy

Supervision of External Audits, Internal Audits, and Internal Controls

Independent Annual Audit - SWMBH and each participating CMHSP shall ensure the completion of an annual financial audit performed by an independent certified public accountant. A copy of the audit report, audited financial statements, footnotes and supplementary schedules, along with the management letter and management's response to the management letter, shall be submitted to SWMBH after the presentation to the CMHSP Board.

Compliance Examination - SWMBH will commission an independent certified public accounting firm to complete the MDHHS required compliance examination for SWMBH and each participating CMHSP. The compliance examination is to assure conformity with specified contract requirements established by SWMBH, MDHHS and other payers. A copy of the participating CMHSP compliance examination report and management's response thereto shall be submitted to SWMBH within 10 days of its completion by the audit firm unless received by current SWMBH auditors.

Internal Audits– SWMBH will perform internal audits on as needed basis.

Internal Controls - SWMBH shall maintain appropriate written policies and shall maintain the procedures necessary to carry out those policies, that ensure adequate internal controls in accordance with regulatory and contractual requirements and generally accepted accounting principles.

SWMBH Board ~~January 2024~~March 2025

Southwest Michigan Behavioral Health (SWMBH) Cost Allocation Plan for Community Mental Health Service Providers (CMHSP's)

POLICY

SWMBH will employ a sub capitation-style interim payment methodology with annual cost settlement to fund the services and activities of the participating CMHSP's for those funds received by the PIHP under the contract with Michigan Department Health and Human Services (MDHHS). It shall be the policy of SWMBH, that SWMBH and each of the participating CMHSPs prepare a Cost Allocation Plan as an integral part of their annual budget process. ~~For fiscal year 24' the Cost Allocation Plan methodology changed for the CMHSP's with the development of the Standard Cost Allocation (SCA) from MDHHS.~~ All SWMBH CMHSP's ~~will have switched over to~~utilize the Standard Cost Allocation (SCA) ~~SCA~~ model ~~report for yearend FY2024~~ and have specific instructions and requirements outlined by the MDHHS on the methodology.

The Cost Allocation Plan shall, at a minimum:

1. Describe the procedures used to identify, measure, and allocate all costs to each of the programs operated by the organization.
2. Conform to the accounting principles and standards prescribed in pertinent contractual agreements, regulations, and other authoritative literature (i.e., GAAP, GASB, OMB Super Circular), 2 CFR 200.
3. Contain sufficient information, in such detail, to permit making an informed judgment on the correctness and fairness of the procedures for identifying, measuring, and allocating all costs to each of the programs operated by the organization.

~~The cost allocation plan shall contain the following information:~~

~~1. An organizational chart showing the placement of each unit or program within the organization.~~

~~1. A listing of revenue and costs for all programs performed, administered, or serviced by these organizational units.~~

~~2. A description of the activities performed by each organizational unit and, where not self-explanatory an explanation of the benefits provided to other programs performed, administered, or serviced by the organization.~~

~~3. The procedures used to identify, measure, and allocate all costs to each benefiting program and activity.~~

~~4. The estimated cost impact resulting from changes to a previously approved plan.~~

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AUTHORITATIVE GUIDANCE

Authoritative guidance for this policy can be found in the following:

1. The MDHHS contract and other state and federal law, regulation, and promulgation.
2. Office of Management and Budget, Super Circular, (formally OMB A-87, Cost Principles for State, Local, and Indian Tribal Governments, with reference to Attachment D and the referenced 45 CFR Part 95, 2 CFR 200 Subpart E.

Generally Accepted Accounting Principles (GAAP), with reference to Governmental Accounting Standards Board (GASB) Statement #34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments (June 1999), and GASB Statement #10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues (November 1989).

ADEQUACY OF COST INFORMATION

Cost information must be current, accurate, and in sufficient detail to support payments made for services rendered. This includes all ledgers, books, records and original evidence of cost (purchase requisitions, purchase orders, vouchers, requisitions for materials, inventories, labor timecards, payrolls, bases for apportioning costs, etc.), which pertain to the determination of reasonable cost, capable of being audited.

Financial and statistical records should be maintained in a consistent manner from one period to another. However, a proper regard for consistency need not preclude a desirable change in accounting procedures, provided that full disclosure of significant change is made.

ADEQUATE COST DATA AND COST FINDING

PRINCIPLE

Organizations receiving payment based on reimbursable cost must provide adequate cost data based on financial and statistical records, which can be verified by qualified auditors. The cost data must be based on an approved method of cost finding and on the accrual basis of accounting.

DEFINITIONS

Accrual Basis of Accounting

Under the accrual basis of accounting, revenue is recorded in the period when it is earned, regardless of when it is collected, and expenditures for expense and asset items are recorded in the period in which they are incurred, regardless of when they are paid.

Allocable Costs

An item or group of items of cost chargeable to one or more objects, processes, or operations in accordance with cost responsibilities, benefits received, or other identifiable

measure of application or consumption.

Directly Allocable Costs

Directly allocable costs are chargeable based on actual usage (e.g., metered electricity) rather than a statistical surrogate.

Indirectly Allocable Costs

Indirectly allocable costs are not chargeable based on actual usage, and thus, must be allocated based on a prospectively documented statistical surrogate (e.g., square feet).

Applicable Credits

Those receipts or types of transactions which offset or reduce expense items that are allocable to cost centers as direct or indirect costs. Typical examples of such transactions are: purchase discounts, rebates, or allowances; recoveries or indemnities on losses; sales of scrap or incidental services; adjustments of overpayments or erroneous charges; and other income items which serve to reduce costs *(i.e., COBRA receipts)*.

Charges

The regular rates established by the provider for services rendered eligible individuals and to other paying patients. Charges should be related consistently to the cost of the services and uniformly applied to all patients. *(i.e., Gross Standard Charge Rate.)*

Cost Finding

Cost Finding is a determination of the cost of services using informal procedures, i.e., without employing the regular processes of cost accounting on a continuous or formal basis. It is the determination of the cost of an operation by the assignment of direct costs and the allocation of indirect costs.

Cost Center

An organizational unit, generally a department or its subunit, having a common functional purpose for which direct and indirect costs are accumulated, allocated and apportioned. In addition, those natural expense classifications may be accumulated in separate cost centers created to accumulate these indirectly allocable costs such as depreciation, facilities, and fringe benefits. These cost centers also fall under this definition to facilitate cost finding and cost allocation.

General Service Costs Centers (Nonrevenue Producing)

General Service (or Nonrevenue Producing) Costs Centers are those organizational units that are operated for the benefit of the organization. Each of these may render services to other general service areas as well as to Revenue Producing Cost Centers.

For the CMHSP and PIHP environment, General Service Cost Centers can be further differentiated and grouped by function into:

- General and Board Administrative functions

- Managed Care Administrative functions
- Program Administrative functions

Revenue Producing Cost Centers

Revenue Producing Cost Centers are those that usually provide direct identifiable services to individual consumers.

For the CMHSP and PIHP environment, Revenue Producing Cost Centers can be further differentiated and grouped by similar business activity into:

- Managed Care Risk Contracts (Medicaid, Healthy Michigan, MI Health Link)
- Service and Support Programs (direct-operated programs)
- Grants and Other Earned Contracts

Each CMHSP will incorporate unit costs into Encounter Quality Initiative (EQI) reports:

1. Each CMHSP will submit EQI reports to the PIHP based on the schedule identified in the Michigan Department of Health and Human Services (MDHHS) contract; and 2. The PIHP will compile data into one PIHP report for submission to MDHHS.

DETERMINATION OF COST OF SERVICES

PRINCIPLE OF COST APPORTIONMENT

Total allowable costs of an organization are apportioned between contract eligible individuals and other individuals so that the share borne by the contract is based upon actual services received by contract eligible individuals.

Departmental Method

This method of apportionment is the ratio of covered services furnished to contract eligible individuals to total supports and services furnished to all the organizations' contract and non-contract individuals, applied to the cost of the department.

COST APPORTIONMENT FOR COST-BASED CMHSP'S

The term apportionment, as used here, refers to the process of distributing allowable costs among various groups of cost-based eligible individuals and other non-eligible individuals.

The total allowable cost of supports and services furnished to contract eligible individuals shall be apportioned to the contract on the basis of the ratio of covered supports and services furnished to contract eligible individuals to total supports and services furnished to all the organizations' contract and non-contract individuals. For purposes of this apportionment, the preferred methods are based on RUUAC as defined above.

The PIHP must use a method for reporting costs and statistics that results in an accurate and

equitable allocation of allowable costs and is justifiable from an administrative and cost efficiency standpoint.

OBJECTIVES OF APPORTIONMENT

The objectives of the apportionment process are to assure that:

- Costs of covered supports and services provided to eligible individuals under contract will not be borne by other contracts or other individuals.
- Costs of supports and services to non-contract and other non-eligible individuals will not be borne by the contract.

PROVIDER SERVICES FURNISHED UNDER ARRANGEMENTS

Costs of covered services furnished to contract eligible individuals through arrangements with non-plan providers ~~will~~, in most cases, are the amount the CMHSP/PIHP pays the provider under its financial arrangement, to the extent it is found reasonable.

APPORTIONMENT OF ADMINISTRATIVE AND GENERAL COSTS NOT DIRECTLY ASSOCIATED WITH PROVIDING SUPPORTS AND SERVICES

Enrollment and membership costs, as well as other administrative and general costs of the CMHSP that benefit the total eligible population of the CMHSP which are not directly associated with providing supports and services, are apportioned on the basis of a ratio of contract eligible population to total PIHP eligible population. These costs are classified as Plan Administration costs. *(i.e., Managed Care Administrative Costs.)*

ALLOCATION AND DISTRIBUTION OF OTHER ADMINISTRATIVE AND GENERAL COSTS

Administrative and General (A&G) costs, other than those described immediately above, which bear a significant relationship to the services rendered are not apportioned to risk contracts directly. Instead, these costs are allocated or distributed to the components of the CMHSP, which, in turn, are then apportioned to risk contracts.

COST CENTER FUNCTIONAL DEFINITION

The cost allocation plan process recognizes that the organization of cost centers for internal accounting and management responsibility in the formal accounting system may not adequately segregate costs by functional activity for the purpose of reimbursable cost computation. This is particularly critical within non-revenue producing administrative and general service cost centers.

For cost allocation plan purposes, segregation of costs by functional area is required if the costs are material, the effect of not segregating the costs is significant and if an appropriate basis for cost allocation is available. The functional areas are described below.

For example, if the above conditions are met, the cost of Billing and Accounts Receivable, and Claims and Financial Risk Management would be segregated from General Financial

Management and Accounting. However, if not material, not significant or not appropriate, these would not be segregated but allocated together with General and Board Administrative Functions.

The same would apply to such functions as Quality Improvement and Recipient Rights, as similar examples.

GENERAL AND BOARD ADMINISTRATIVE FUNCTIONS

General and Board Administrative functions are those that support the entire organization and are typically allocated to all other revenue and non-revenue producing cost centers typically based on accumulated cost. These costs will be allocated first.

General and Board Administrative functions typically include:

- Board and Executive Administration
- Financial Management and Accounting
- Human Resources and Employee Benefit Management
- Information Systems and Data Processing
- Other functions that benefit the entire organization as a whole

General and Board Administrative costs may also include costs that would otherwise be costs of other functional areas but where the cost of these other functions is immaterial, the effect of segregation is insignificant or an appropriate basis for separate cost finding is not available. Costs associated with other functional areas must be segregated and reclassified prior to allocation, if they are material, their effect is significant, and an appropriate basis exists.

PROGRAM ADMINISTRATIVE FUNCTIONS

Program Administrative functions are those that support the direct-operated Service and Support Programs of the organization. These are typically allocated to all Service Program revenue and non-revenue producing cost centers based on accumulated cost. These costs include the proportional share of General and Board Administrative costs previously allocated as discussed above.

Program Administrative functions typically include:

- Program Management and Supervision
- Reception and Appointment Scheduling
- Records Maintenance
- Billing and Accounts Receivable
- Quality Improvement of direct-operated programs
- Recipient Rights, as a direct-operated program

- Other functions that benefit only direct-operated programs

MANAGED CARE ADMINISTRATIVE FUNCTIONS

Managed Care Administrative functions are those that support the Pre-paid Inpatient Health Plan responsibilities under risk contracts for eligible individuals and are typically apportioned to risk contracts based on eligible lives. These costs include the proportional share of General and Board Administrative costs previously allocated as discussed above.

Managed Care Administrative functions typically include the following:

- General Managed Care Administration and Governance
- Member Services, including information and referral, and eligibility maintenance, recipient rights advocacy, grievance, and appeal management
- Utilization Management, including access to supports and services, provider referral and authorization, and utilization review
- Provider Network Management, including network development and provider contracting
- Claims
- Financial Risk Management
- Quality Improvement of the PIHP
- Regulatory Compliance
- Other functions that benefit the eligible population under contract

COST ALLOCATION PLAN

The Standard Cost Allocation (SCA) model was developed by MDHHS and has specific instructions and requirements outlined by the MDHHS on the methodology.

~~The Cost Allocation Plan is to be developed and review by SWMBH and the participating CMHSPs as part of the annual budget process.~~ This planning process, in general, involves the following steps:

COST FINDING

Matching of related revenue and costs, identification of functional activities and associated costs, and, if necessary (and allowable), cost reclassifications to segregate:

- Capital-Related Cost, if not already properly assigned
- Employee Benefit Cost, if not already properly assigned
- General and Board Administrative Cost
- Program Administrative Cost

- Service Program direct and assigned indirect costs
- Grants and Earned Contract direct and assigned indirect costs
- Managed Care Administrative Cost
- Contract Provider and CMHSP Subcontract Program cost for supports and services provided to eligible individuals and segregated by risk contract responsibility.

COST ALLOCATION

Allocation of functional indirect costs to revenue/cost centers based on a priority of allocation and statistical allocation proxies.

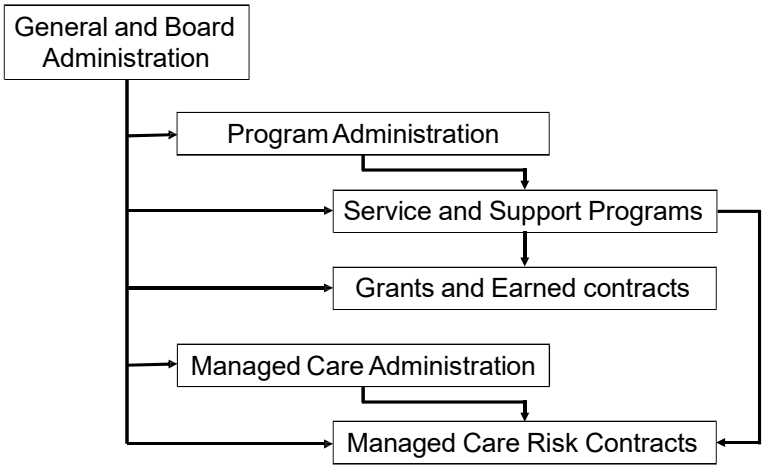
- Capital-Related Cost (depreciation and amortization, etc.) and Building Occupancy Costs, based on square feet operated for building and occupancy costs and actual depreciation for equipment and furnishings in use.
- Employee Benefit Costs based on the dollar value of Salaries and Wages.
- General and Board Administrative Cost to all revenue / cost centers based on accumulated cost.
- Program Administrative Cost to all applicable Service Programs based on accumulated cost.

COST APPORTIONMENT to Payors

- Managed Care Administrative Costs, including previously allocated costs, apportioned to Managed Care Risk Contracts or Subcontracts based on accumulated cost.

A schematic of cost allocation process is as follows:

Cost Allocation Plan Schema



CONTRACT AND SUBCONTRACT COST SETTLEMENT

Contract and Subcontract Cost Settlement including identification of sufficient local matching fund revenues to meet matching fund requirements takes place annually.

Southwest Michigan
BEHAVIORAL HEALTH

Section: Board Policy – Accomplishment	Policy Number: BG-004	Pages: 1
Subject: Board Ends and Accomplishment	Required By: Policy Governance	Accountability: SWMBH Board
Application: ☒ SWMBH Governance Board ☒ SWMBH EO		Required Reviewer: SWMBH Board
Effective Date: 04.11.2014	Last Review Date: 2/9/24	Past Review Dates: 12.12.14, 1/8/16, 1/13/17, 1/12/18,1/11/19, 1/10/20, 1/8/21, 1/14/22, 1/13/23

I. **PURPOSE:**

To clearly identify the role and process of Ends monitoring and define accomplishment for SWMBH in accordance with the principles of Policy Governance.

II. **POLICY:**

The SWMBH Board will provide clear direction by determining Ends, ~~approving~~ accepting that the Interpretations, including the Ends Metrics, meet the standard of being a reasonable interpretation of the Ends.~~and adopting Ends Metrics.~~

III. **STANDARDS:**

Accordingly, the SWMBH Board shall:

1. Identify areas of focus (Ends) for strategic monitoring.

2. ~~Approve~~ Accept the EO's proposed Interpretations of Ends as being a reasonable interpretation. ~~EO shall propose Interpretations.~~

3. Accept the EO's proposed ~~Adopt~~ Ends Metrics ~~which are clear, succinct, results-oriented, achievable, realistic and objective~~are a reasonable measure of the EO's proposed interpretation. ~~EO shall propose Ends Metrics~~.

4. Regularly review data related to focus (Ends) Metrics as planned in the Board-approved calendar, upon request of the Board, or at the initiation of the EO.

5. Revisit Ends, Interpretations and Metrics as it sees fit. The EO may propose to the Board additions or revisions to Ends, Interpretations and Metrics as the EO sees fit. No changes to these are permitted absent Board approval.

Southwest Michigan
BEHAVIORAL HEALTH

Section: Board Policy – Board Governance/Management	Policy Number: BG-006	Pages: 1
Subject: Annual Board Planning Cycle	**Required By**: Policy Governance	**Accountability:** SWMBH Board
Application: ☒ SWMBH Governance Board ☐ SWMBH EO		**Required Reviewer:** SWMBH Board
Effective Date: 01.10.2014	**Last Review Date**: 4/12/24	**Past Review Dates**: 1.09.15, 2/12/16, 2/10/17, 1/12/18, 1/11/19, 4/12/19, 4/10/20, 4/9/21, 4/8/22, 4/14/23

I. **PURPOSE:**

To organize the timing, process, content and outcomes of the Board's annual calendar of activity ~~an annual planning process~~.

II. **POLICY:**

To accomplish its job, the Board will adopt an annual calendar which (a) completes a thorough review of Accomplishments/Ends annually, (b) continually improves its performance through attention to Board education and deliberation, (c) formally reviews all Board Policies, and (d) sets primary strategic imperatives for a following 12-18 month period.

III. **STANDARDS:**

a. ~~Completes a thorough review~~ Annually monitors ~~of Accomplishments/~~ achievement of Ends as defined by EO's interpretations~~annually~~;

Ends, Ends Interpretations and Ends Metrics are handled on both calendar years and fiscal years. Ends, Ends Interpretations and prospective Ends Metrics are proposed to Board no later than November and December of each year. They are first reviewed with the Operations Committee for advice and support.

Ends Metrics status and ~~final~~ monitoring reports are provided to the Board throughout the year, based upon a Board-approved reporting calendar and, intended for use in determining EO performance evaluation (compensation distributed in November?). Ideally a majority of Ends Metrics are reported before or at the November Board meeting.

b. Continually improves its performance through attention to Board education and deliberation;

c. Formally reviews all Board Policies annually for consideration of relevance and consistence with Policy Governance. [Please note, Board can make some or all policies more or less frequent.]

A prospective Board-approved calendar year events & activities calendar is proposed to the Board each December. It shall include: Board review calendar with Board Member assignments; required Board actions; Board-determined Board action; Ends Metrics Reporting; Executive Limitations, and Board-Staff Relationship Policy review.

d. ~~Sets primary~~Provides input into strategic imperatives for a following 12-18 month period.

January- May Preparatory Strategic Planning Work

April-May: Environmental Scan and Strategic Imperatives Review with Board.

May- Board Retreat

July- 24-month ~~Strategic Plan draft~~ Ends Interpretations and Metrics are presented for preliminary review for reasonableness and further input.

- Mission
- Capital
- Market
- Growth
- Products
- Alliances

September- Budget Board review and approval.

Attachment: Calendar Year Board Calendar.

2/28/25

LANSING, Mich. – The Michigan Department of Health and Human Services (MDHHS) is launching an initiative designed to improve access to quality behavioral health care. As part of this effort, MDHHS is seeking public input through an online survey as ***the department moves to a competitive procurement process for the state's Pre-Paid Inpatient Health Plan (PIHP) contracts***.

This initiative will help to increase consumer choice and access to services while preserving the Community Mental Health Services Programs (CMHSPs) many Medicaid beneficiaries go to for behavioral health care services today.

"Michigan Medicaid beneficiaries deserve access to behavioral health care services when and where they need them," said Elizabeth Hertel, MDHHS director. "This effort brings together the investment, creativity and commitment of the department and its partners – including community mental health, health care providers, individuals served and communities – to create a more accessible and person-centered system of care dedicated to ensuring Michigan residents a healthier future."

Michigan's specialty behavioral health system provides health care coverage to approximately 300,000 Michiganders, including adults with serious mental illness, children with serious emotional disturbance, individuals with substance use disorder and individuals with intellectual and developmental disabilities. MDHHS contracts with PIHPs as the regional Medicaid managed care entity.

PIHPs are charged with providing adequate supports and services to those in need of the specialty behavioral health benefit and are key to achieving the department's mission to improve the health, safety and prosperity of residents. PIHPs manage provider networks including CMHSPs and behavioral health providers.

"The specialty behavioral health system needs to be more accountable and responsive to the needs of people served. It's time for a change," said Sherri Boyd, executive director, The Arc Michigan.

Through an online survey, MDHHS seeks input from people currently enrolled in Medicaid and their families, advocacy groups, community-based organizations, federally recognized tribal governments, providers of health care, behavioral health and other interested parties to identify opportunities for innovation and improvement in the services and supports provided through the PIHP system.

Survey questions seek feedback on priorities to help determine where the state should focus its efforts. Examples include strengthening person-centered care, conflict-free access and planning, increasing access to providers, beneficiary behavioral health plan choice, beneficiary provider choice, enhancing quality, strengthening outcomes and using data to drive quality.

Feedback received will help guide planning and decision-making in preparation for the implementation of new PIHP behavioral health plan contracts, as well as other MDHHS efforts to improve the health of residents served by the programs.

Survey responses must be submitted through the online survey no later than 5 p.m., Monday, March 31. The Arc Michigan, The Mental Health Association in Michigan and other advocacy organizations are working with MDHHS to include the voices of individuals served and their families who may not have internet access, have alternative communication needs or would prefer to work through an advocacy organization.

For more information, visit Michigan.gov/BehavioralHealth. Procurement-related questions can be sent to MDHHS-BHSurvey@michigan.gov.

Michigan Department of Health and Human Services

SFY 2024 External Quality Review Compliance Review Report *for* Prepaid Inpatient Health Plans

Region 4—Southwest Michigan Behavioral Health

December 2024

HSAG HEALTH SERVICES ADVISORY GROUP

Summary of Findings

Review of the Standards

Table 1-2 presents an overview of the results of the standards reviewed during the SFY 2024 compliance review for **SWMBH**. HSAG assigned a score of *Met* or *Not Met* to each of the individual elements it reviewed based on a scoring methodology, which is detailed in Section 2. If a requirement was not applicable to **SWMBH** during the period covered by the review, HSAG used a *Not Applicable* (*NA*) designation. In addition to an aggregated score for each standard, HSAG assigned an overall percentage-of-compliance score across all five standards. Refer to Appendix A for a detailed description of the findings.

Table 1-2—Summary of Standard Compliance Scores

Standard	Total Elements	Total Applicable Elements	Number of Elements			Total Compliance Score
			M	*NM*	*NA*	
Standard I—Member Rights and Member Information	24	21	18	3	3	**86%**
Standard III—Availability of Services	20	18	18	0	2	**100%**
Standard IV—Assurances of Adequate Capacity and Services	11	9	9	0	2	**100%**
Standard V—Coordination and Continuity of Care	16	15	15	0	1	**100%**
Standard VI—Coverage and Authorization of Services	23	22	16	6	1	**73%**
Total	**94**	**85**	**76**	**9**	**9**	**89%**

M = Met*; *NM = Not Met*; *NA = Not Applicable

Total Elements: The total number of elements within each standard.

Total Applicable Elements: The total number of elements within each standard minus any elements that were *NA*. This represents the denominator.

Total Compliance Score: The overall percentages were obtained by adding the number of elements that received a score of *Met* (1 point), then dividing this total by the total number of applicable elements.

SWMBH achieved an overall compliance score of 89 percent, indicating adherence to most of the reviewed federal and State requirements. However, opportunities for improvement were identified in the areas of Member Rights and Member Information and Coverage and Authorization of Services as these program areas received performance scores below 90 percent. Detailed findings, including recommendations for program enhancements, are documented in Appendix A.

Corrective Action Process

For any elements scored *Not Met*, **SWMBH** is required to submit a CAP to bring the element into compliance with the applicable standard(s).

The CAP must be submitted to MDHHS and HSAG within 30 days of receipt of the final report. For each element that requires correction, **SWMBH** must identify the planned interventions to achieve compliance with the requirement(s), the individual(s) responsible, and the timeline. HSAG has prepared a customized template under Appendix B to facilitate **SWMBH**'s submission and MDHHS' and HSAG's review of corrective actions. The template includes each standard with findings that require a CAP.

MDHHS and HSAG will review **SWMBH**'s corrective actions to determine the sufficiency of the CAP. If an action plan is determined to be insufficient, **SWMBH** will be required to revise its CAP until deemed acceptable by HSAG and MDHHS.

To ensure the CAP is fully implemented, **SWMBH** will be required to submit one progress report on the status of each action plan. A progress report template, instructions, and timeline for completing and submitting the progress report will be provided after the approval of **SWMBH**'s CAP.

SWMBH FY 2024 Program Integrity - Compliance Board Report
10/01/2023 – 09/30/2024

Date Prepared: January 3, 2025
Chief Compliance Officer: Mila C. Todd

1. Compliance Allegations/Reports:

Issue Reported	#	Investigation Opened		Investigation Completed		Complaint Substantiated		Outcome
		Yes	No	Yes	No	Yes	No	
Provider report: SUD provider reported a staff member had sent multiple unsecured emails containing customer PHI. Three were SWMBH customers and the provider notified them by mail.	NA		X		X		X	Provider handled reporting appropriately.
CMH reported FMS requesting additional Self-D units for customer who received services during school hours, which is disallowed.	NA		X		X		X	The CMH appropriately investigated the issue. Recoupments were issued. No fraud referral as it did not reach the MI-OIG $5,000 threshold.
Anonymous report: Employee at contracted inpatient provider. Allegations of patient abuse.	NA		X		X		X	Investigated by SWMBH Customer Service & Provider Network. Unable to substantiate allegations.
SWMBH UM reported to compliance that a contracted SUD provider refused to admit a customer who was blind because of his disability.	NA		X		X		X	Not a compliance issue, investigated by SWMBH ADA coordinator.
Hotline call alleging poor building conditions and services at a regionally shared autism/cls/respite provider. Caller is a parent looking to place their child with an autism provider	NA		X		X		X	The reporter does not have a service-relationship with the provider. Nothing to investigate. Site review had recently been completed and no issues were found.
During an SUD COB audit, it was found that a contracted SUD provider was not following COB rules for a particular customer. Investigation opened to review additional claims.	2024-01	X		X		X		Reviewed full fiscal year of claims from the provider for this particular customer. Recoupment issued and processed. Provider re-educated.
SUD Provider self-reported that a clinician	2024-02	X		X		X		SWMBH PI&C expanded the

was conducting shortened sessions. Provided SWMBH with their investigative findings.								investigation. Determined additional recoupments needed. Corrective Action Plan received from provider and recoupments processed.
SWMBH SUD reported that an SUD provider was billing a code prior to completion of the assessment associated with the code being completed.	2024-03	X		X		X		SWMBH PI&C completed a claims/documentation audit and identified overpayments. Virtual meeting held with provider to re-educate on requirements. Corrective Action Plan received from provider and recoupments processed.
During a Medicaid Services Verification audit, it was found that SUD providers were submitting group therapy claims inappropriately.	2024-04	X		X		X		SWMBH PI&C conducted a claims/documentation audit for three SUD providers with inappropriate group therapy claims. Two providers were re-educated on the group therapy billing requirements. One provider had significant recoupments due to not following contract requirements for billing this group therapy code. Virtual meeting was held with the provider to re-educate and review the contract. Corrective Action Plan received from provider and recoupments processed.
MI-OIG referral: Referred from HHS OIG Hotline to MI-OIG, alleging that a CMH and guardianship organization were "holding them back for years."	2024-06		X		X		X	SWMBH responded to MI-OIG, guardianship is not a Medicaid-funded service and this is outside the scope for a PIHP.
SWMBH Clinical reported to SWMBH PI&C and MDHHS an issue with a CMH and HSW for one specific customer	2024-10	X		X		X		SWMBH PI&C conducted an audit of claims for this customer. Substantial coordination of benefits

								issues identified, resulting in a large recoupment. Multiple SWMBH departments involved. Pending MDHHS response. SWMBH PI&C portion of the investigation has been completed.
CMH reported to SWMBH that a Spec Res provider was billing for enhanced staffing but did not have documentation for enhanced staffing.	2024-08	X		X		X		Fraud substantiated by SWMBH. Fraud referral to MI-OIG due to the overpayment exceeding the $5,000 threshold. MFCU declined to take the case. CMH handled the recoupment processing and continued oversight and monitoring.
During a Medicaid Services Verification audit, it was found that claims were being paid to SUD providers with no EOB as required for customers with third-party payors.	2024-09	X		X		X		It was found that SmartCare adjudication rules were not working as expected. SmartCare was fixed. Six contracted SUD providers had recoupments and were re-educated on Coordination of Benefits requirements. Corrective Action Plans were received and recoupments processed.
During a SUD Block Grant audit, it was found that a contracted SUD provider was not following ATP and Block Grant requirements	2024-11	X		X		X		Provider was completing ATP waiver forms and ATP co-pay assistance forms but not submitting to SWMBH for approval. Billed SWMBH as those these had been approved. Virtual meeting held with provider for re-education. Corrective Action Plan received from provider and recoupments processed.
MI-OIG referred a CLS provider to SWMBH for investigation due to claims of upcoding.	2024-12	X		X			X	SWMBH conducted a claims/documentation audit. Was unable to

								substantiate the allegations.
Customer email complaint that an SUD recovery home was falsifying documentation and did not have required staffing.	2024-13	X		X			X	Multiple efforts were made to contact the reporter (via email and telephone) to interview and discuss the allegations. Reporter never followed up. Case closed due to lack of response.
MI-OIG referred a CMH Clubhouse for investigation due to former employee allegations of over-billing.	2024-14	X		X			X	SWMBH conducted a claims/documentation audit, interviewed Clubhouse staff and conducted an on-site review. Allegations were no substantiated.
CMH submitted fraud referral to SWMBH for a contracted Spec Res provider billing for dates the customer was not in the home/not receiving services	2024-15	X			X	X		SWMBH requested that the CMH expand the initial investigative audit. Fraud was indicated. Fraud referral sent to MI-OIG, presentation and MFCU determination pending.
MI-OIG referred a regionally shared Autism provider due to allegations received from a parent of a SWMBH region customer. Allegations of not providing services per the Treatment Plan.	2024-16	X		X			X	SWMBH conducted a claims/documentation audit, interviewed the reporter and reviewed provider policies/procedures/processes. Allegations were not substantiated.
Total	**19**	**13**	**6**	**12**	**7**	**9**	**10**	

2. Privacy/Security Allegations/Reports

A total of thirty-one (31) incidents were reported to the SWMBH Breach Team during Fiscal Year 2024. The Breach Team reviewed each incident and evaluated whether an exception applies under the law, and the probability of compromise to the Protected Health Information used or disclosed. Of the thirty-one (31) incidents reviewed, NONE were determined to be reportable.

3. Planned Audits

Audit	# Services/Claims Reviewed	Result/Progress	Recoupments
Medicaid Verification			
Quarter 1	495	Complete	37 recoupments ($21,076.87)
Quarter 2	495	Complete	34 recoupments ($59,463.70)
Quarter 3	475	Complete	12 recoupments ($4,611.87)

SWMBH FY 2024 Program Integrity - Compliance Board Report
10/01/2023 – 09/30/2024

Train & Educate | Audit & Monitor | Report & Evaluate

Quarter 4	495	Pending appeal periods	14 recoupments ($1,334.11)
SUD Block Grant Claims			
Quarter 1	60	Complete	6 recoupments ($856.22)
Quarter 2	60	Complete	6 recoupments ($563.49)
Quarter 3	60	Complete	10 recoupments ($4,874.53)
Quarter 4	60	In Process	
SUD Coordination of Benefits			
Quarter 1	30	Complete	0 recoupments ($0)
Quarter 2	30	Complete	0 recoupments ($0)
Quarter 3	30	Complete	2 recoupments ($38.00)
Quarter 4	30	Complete	5 recoupments ($95.00)

May 9, 2025, Board Planning Session

Developed in consultation with Operations Committee

10:30 am to 3:00 pm after a 9:30 – 10:15 am Board Meeting

Location TBD Air Zoo or similar preferred **Facilitator Scott Dzurka (proposed)**

Draft: 2/28/25 annotated subsequent to DHHS announcement about PIHPs

Objectives: Develop understanding of and remediation plans for existential financial threats to Regional Entity and CMHs. Review Environmental Scan. Review 2025 – 2027 Strategic Plan prioritizing immediate Action Steps. Refocus on our region is $10 million into state risk corridor for fiscal year 2024 just ended and likely $19 million into state risk corridor for current fiscal year 2025. How will we respond to state's handling of us? How will we provide and pay for services in counties that have no cash flow after August 2025? On what will we focus on doing and achieving for the 18 month period before the PIHP contract is placed elsewhere in October 2026?

10:30 – 10:35 Welcome and Objectives (Brad)

10:35 – 11:10 Meeting process and Board Member statements (Scott Dzurka)

11:10 – 12:15 Facilitated Discussion (Scott Dzurka with Brad and Ella Philander)

Updated Environmental Scan (d)

- Financial Status Review (G. Guidry)

Federal Policy Developments and Initiatives

- Medicaid Financing Threats
- Current state of CMS, SAMSHA, DHHS

State Policy Developments and Initiatives

2025 – 2027 Strategic Plan and Strategic Imperatives (d)

12:15 – 1:00 Lunch

1:00 – 2:15 Continue 2025 – 2027 Strategic Plan and Strategic Imperatives (d)

2:15 - 2:45 Summary and Next Steps (Scott Dzurka)

2:45 Adjourn