Southwest Michigan

Southwest Michigan Behavioral Health Board Meeting 5250 Lovers Lane, Portage, MI 49002 Dial-in: 1-844-655-0022 Access Code: 738 811 844 **December 13, 2019** 9:30 am to 11:30 am Lunch 11:45 am - 1:00 pm **Bravo Restaurant** 5402 Portage Rd., Portage, MI 49002

- 1. Welcome Guests/Public Comment
- 2. Agenda Review and Adoption
- 3. Financial Interest Disclosure Handling
 - Bradley Casemore
- 4. Consent Agenda
 - November 8, 2019 SWMBH Board Meeting Minutes Approval (d) (pg.3)
- 5. Operations Committee
 - Operations Committee Minutes October 30, 2019 (d) (pg.10)
- 6. Ends Metrics

Is the Data Relevant and Compelling? Is the Executive Officer in Compliance? Does the Ends need Revision? *motion required

- None
- 7. Board Actions to be Considered*motion required
 - a. *Financial Risk Management Plan (d) (T. Dawson) (pg.13)
 - b. *Financial Management Plan (d) (T. Dawson) (pg.18)

 - c. *Cost Allocation Plan (d) (T. Dawson) (pg.24)
 d. *Policy and Events Calendar (d) (M. Jorgboyan) (pg.34)
- 8. Board Policy Review

Is the Board in Compliance? Does the Policy Need Revision? *motion required

- *BG-005 Chairperson's Role (d) (pg.37)
- 9. Executive Limitations Review

Is the Executive Officer in Compliance with this Policy? Does the Policy Need Revision? *motion required

- *BEL-003 Asset Protection (P. Garrett) (pg.39)
- 10. Board Education

- a. Fiscal year 2020 Year to Date Financial Statements (d) (T. Dawson) (pg.44)
- b. Initiation and Engagement of Alcohol and Other Drug Dependence Treatment (IET) Historical Data Report (d) (J. Smith) (pg.52)
- c. Year End Accomplishments Summary (d) (J. Gardner) (pg.55)

11. Communication and Counsel to the Board

- a. Fiscal Year 2020 Risk Management Letter (d) (T. Dawson) (pg.66)
- b. Office of Recovery Oriented Systems of Care (OROSC) State Opioid Response Grant (SOR) Site Visit Review Results (d) (J. Smith) (pg.68)
- c. Board Membership Roster (d) (pg.70)
- d. Board Attendance Roster (d) (pg.71)
- e. Aetna MI Health Link Claims Audit (d) (A. Wickham) (pg.72)
- f. MI Health Link: Review of Evaluation Findings (d) (pg.83)
- g. St. Joseph CMHSAS letter (d) (pg.85)
- h. MDHHS Director Gordon Opinion (d) (pg.86)
- i. MDHHS Future of Behavioral Health Presentation (d) (pg.87)
- j. MDHHS Future of Behavioral Health Fact Sheet (d) (pg. 115)
- k. FY 2020 Supplemental Funding SB 376 (d) (pg.118)
- I. February Board Meeting availability
- m. January BEL-001 Budgeting (M. McShane)

12. Public Comment

13. Adjournment

Next SWMBH Board Meeting January 10, 2020 9:30 am - 11:00 am 5250 Lovers Lane, Portage, MI 49002

Draft Board Meeting Minutes November 8, 2019 9:30 am-11:30 am

SWMBH, 5250 Lovers Lane, Suite 200, Portage, MI 49002

Draft: 11/13/19

Members Present: Tom Schmelzer, Edward Meny, Susan Barnes, Robert Nelson, Moses Walker, Patrick Garrett, Michael McShane

Absent: Angie Price

Guests: Bradley Casemore, Executive Officer, SWMBH; Tracy Dawson, Chief Financial Officer, SWMBH; Anne Wickham, Chief Administrative Officer, SWMBH; Jonathan Gardner, Director of QAPI, SWMBH; Moira Kean, Director of Clinical Quality, SWMBH; Rhea Freitag, Behavioral Health Waiver & Clinical Quality Manager, SWMBH; Petra Morey, Compliance Specialist III, SWMBH; Michelle Jorgboyan, Senior Operations Specialist and Rights Advisor, SWMBH; Jon Houtz, Pines Behavioral Health Alternate; Susan Germann, Pines Behavioral Health; Ric Compton, Riverwood; Brad Sysol, Summit Pointe; Debra Hess, VanBuren CMH; Richard Thiemkey, Barry County CMHA; Nancy Johnson, Riverwood Alternate; Mike Kenny, NAMI

Welcome Guests

Tom Schmelzer called the meeting to order at 9:32 am and welcomed the group.

Public Comment

Mike Kenny stated that he appreciated the Board's concern regarding his recent absence from the meetings.

Agenda Review and Adoption

Motion

Edward Meny moved to accept the agenda.

Second

Patrick Garrett

Motion Carried

Michael McShane, Financial Interest Disclosure and Conflict of Interest Handling

Tom Schmelzer reported as documented. Michael McShane was asked to leave the meeting so that the Board members could discuss financial interest disclosure and conflict of interest waiver.

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 McShane;

- 2. The Financial Interest disclosed by Michael McShane 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.

SecondPatrick Garrett

Motion Carried

Consent Agenda

October 11, 2019 SWMBH Board Meeting Minutes

Motion Patrick Garrett moved to approve the 10-11-19 SWMBH Board Meeting Minutes.

Second Susan Barnes

Motion Carried

Customer Service Advisory Committee Nominations

Motion Patrick Garrett moved to approve the Customer Service Advisory Committee

nominations Sandra Bell, Cass County and Jaclyn Blatson, Van Buren County to a two-year term ending September 30, 2021.

Second Edward Meny

Motion Carried

Annual Financial Interest Disclosure with no new disclosures

Petra Morey reported as documented. Brad Casemore reviewed history and policy regarding annual financial interest disclosures.

Operations Committee

Operations Committee Minutes September 18, 2019

Debbie Hess reported as documented. Tom Schmelzer asked for comments or questions. Discussion followed and Debbie Hess addressed question regarding the date in which the Operations Committee meeting minutes are included in the SWMBH Board packet. Minutes accepted.

Ends Metrics

Fulfillment of Contractual Obligations: 2019 Health Services Advisory Group (HSAG) Performance Measurement Validation Review

Jonathan Gardner reported as documented. Discussion followed.

Motion Edward Meny moved that the data is relevant and compelling. The Executive

Officer is in compliance and the policy does not need revision.

Second Robert Nelson

Motion Carried

Fulfillment of Contractual Obligations: 2019 Health Services Advisory Group (HSAG)

Customer Service, Grievance & Appeals Corrective Action Plan

Jonathan Gardner reported as documented. Discussion followed.

Motion

Patrick Garrett moved that the data is relevant and compelling. The Executive

Officer is in compliance and the policy does not need revision.

Second

Robert Nelson

Motion Carried

Fulfillment of Contractual Obligations: Fiscal Year 2019 Performance Improvement Project-Health Services Advisory Group (HSAG) Review

Moira Kean reported as documented. Discussion followed.

Motion

Edward Meny moved that the data is relevant and compelling. The Executive

Officer is in compliance and the policy does not need revision.

Second

Patrick Garrett

Motion Carried

Board Actions to be Considered

Fiscal Year 2020 Program Integrity Compliance Plan Approval

Petra Morey Reported as documented. Discussion followed.

Motion

Robert Nelson moved to accept the revised Fiscal Year 2020 Program Integrity

Compliance Plan as presented.

Second

Patrick Garrett

Motion Carried

BEL-010 RE 501 (c) (3) Representation Policy Revisions

Susan Barnes reported as documented.

Motion

Susan Barnes moved to accept the revisions as presented.

Second

Edward Meny

Motion Carried

2020-2021 Ends Metrics

Jonathan Gardner reported as documented. Discussion followed.

Motion

Edward Meny moved to approve the 2020-2021 Ends Metrics as presented.

Second

Patrick Garrett

Motion Carried

2020 SWMBH Board Meetings Calendar

Tom Schmelzer reviewed the 2020 SWMBH Board meetings calendar as presented.

Motion

Patrick Garrett moved to approve the 2020 SWMBH Board meetings calendar as

presented.

Second

Edward Meny

Motion Carried

Board Policy Review

BG-003 Unity of Control

Tom Schmelzer reviewed the policy.

Motion

Robert Nelson moved that the Board is in compliance and the policy does not

need any revision.

Second

Patrick Garrett

Motion Carried

Executive Limitations Review

EO-003 Emergency Executive Officer Succession

Tom Schmelzer reviewed the policy as presented.

Motion

Susan Barnes moved that the Executive Officer is in compliance and the policy

does not need revision.

Second

Patrick Garrett

Motion Carried

Board Education

Fiscal Year 2019 Contract Vendor Summary

Tracy Dawson reported as documented. Discussion followed.

MDHHS Autism Audit Results

Rhea Freitag reported as documented. Discussion followed.

Communication and Counsel to the Board

Consolidated Fiscal Year 2019 Year to Date Financial Statements

Tracy Dawson reported Interim Year End financials as documented, noting the projected use of Internal Service Funds went from \$6 million to \$808,000. Discussion followed.

Fiscal Year 2020 Funding

Tracy Dawson reported as documented. Discussion followed.

Michigan Municipal Risk Management Authority Renewal

Tracy Dawson reported as documented. Discussion followed.

Auditor Procurement

Tracy Dawson stated that she has begun compiling documents from the 2014 auditor procurement process and will begin the auditor procurement process with the Board at the

February meeting in order for the Board to review bids and select an auditor for 2020. Brad Casemore reminded the Board that the auditor works for the Board.

Cass Woodlands Authority Update

Brad Casemore stated that he has been in contact with both Kathy Sheffield, CEO of Woodlands Behavioral Health (BH) and the Cass County Administrator. Brad Casemore stated that SWMBH remains attentive and supportive of Cass County not removing Woodlands BH Authority status, and helping Woodlands BH where ever it can. Woodlands BH has had several resignations and meetings continue.

Autism Spectrum Disorder Analysis

Moira Kean reported as documented. Discussion followed.

Opioid Health Homes (OHH)

Joel Smith shared that the State approached SWMBH, Integrated Services of Kalamazoo (ISK), and Summit Pointe regarding starting Opioid Health Homes. Application for funding was approved and planning stages are beginning to identify providers to partner with and a targeted start date of July 2020.

MI Health Link Beneficiary Feedback

Brad Casemore noted the article as presented in the packet for Board's review and information.

New SWMBH Chief Information Officer (CIO) Introduction

Brad Casemore announced Natalie Spivak is SWMBH's new CIO. She will be starting on November 18, 2019.

Board Member Attendance Roster

Brad Casemore noted the report as documented.

MDHHS 298 Announcement

Brad Casemore noted the article as presented in the packet for Board's review and information.

Michigan Consortium for Healthcare Excellence Annual Members Meeting

Brad Casemore noted the PowerPoint presentation as presented in the packet for Board's review and information.

State Targeted Response Grant Audit Results

Brad Casemore noted the report as presented in the packet for Board's review and information.

Community Mental Health Association of Michigan - How to be a Successful Advocate

Brad Casemore noted the article as presented in the packet for Board's review and information.

House Health and Human Services Appropriations Sub-Committee Testimony

Brad Casemore noted the document/testimony as presented in the packet for Board's review and information.

Closed Session

Per the Open Meetings Act MCL 15.268 and MCL 15.268a Brad Casemore requested a closed session to review Executive performance and performance evaluation.

Motion

Tom Schmelzer moved to go into closed session.

Second

Patrick Garrett

Motion Carried

Roll Call Vote Tom Schmelzer – Yes Robert Nelson – Yes

Edward Meny - Yes

Patrick Garrett – Yes Moses Walker – Yes

Susan Barnes - Yes

Michael McShane – Yes

Unanimous Vote

Return to Open Session

Motion

Tom Schmelzer moved to return to open session.

Second

Patrick Garrett

Motion Carried

Roll Call Vote Tom Schmelzer – Yes Robert Nelson – Yes

Edward Meny – Yes

Patrick Garrett – Yes Moses Walker – Yes

Susan Barnes - Yes

Michael McShane – Yes

Unanimous Vote

EO-002 Monitoring Executive Performance

The Executive Board Committee, Tom Schmelzer, Edward Meny, and Susan Barnes reviewed the Executive Officer's performance for fiscal year 10/1/18 through 9/30/19 and found Brad Casemore's performance at 100%. Tom Schmelzer noted 11 out of 11 metrics were met, all policies were reviewed and found in compliance and reductions in both the Medical Loss Ratio and the Administrative Loss Ratio were met, along with many impressive SWMBH accomplishments during the fiscal year.

Motion

Tom Schmelzer moved that SWMBH retain Brad Casemore's services as the

Executive Officer, commending him on a job well done.

Second

Moses Walker

Motion Carried

Public Comment

Mike Kenny commented on the excellent job that SWMBH is doing.

Adjournment

Motion

Moses Walker moved to adjourn at 12:08pm

Second

Robert Nelson

Motion Carried

Southwest Michigan BEHAVIORAL HEALTH

Operations Committee Meeting Minutes Meeting: October 30, 2019 9:00am-2:00pm

Members Present – Debbie Hess, Sue Germann, Jeannie Goodrich, Jeff Patton, Kris Kirsch, Jane Konyndyk, Richard Thiemkey and Bradley Casemore

Members Present via conference call - Ric Compton, Kathy Sheffield

Guests – Tracy Dawson, Chief Financial Officer, SWMBH; Anne Wickham, Chief Administrative Officer, SWMBH; Jonathan Gardner, Director of Quality Assurance Program Improvement, SWMBH; Moira Kean, Director of Clinical Quality, SWMBH; Beth Guisinger, Manager of UM & Call Center, SWMBH; Michelle Jorgboyan, Senior Operations Specialist and Rights Advisor, SWMBH; Brad Sysol, Summit Pointe, Pat Davis, ISK

Call to Order - Debbie Hess began the meeting at 9:02 am.

Review and approve agenda -- Agenda approved with addition of Specialized Residential issues.

Review and approve minutes from 9/18/19 Operations Committee Meeting – Minutes were approved by the Committee.

Fiscal Year 2019 YTD Financials – Tracy Dawson reported that financials were not ready at this time but would be sent out by the end of the week.

Public Policy Environment – Brad Casemore shared that Gov. Whitmer vetoed the 298 and DHHS announced cancellation of the 298 Pilot program. Group discussed testimonies at recent Rep Whiteford hearings and discussed Robert Gordon's comments at the Fall Conference in Traverse City.

Opioid Health Homes (OHH) – Brad Casemore shared that the state projects a January 2020 start for Opioid Health Homes in Kalamazoo and Calhoun counties. Meetings are ongoing.

Cass Woodlands Authority Status – Brad Casemore and Kathy Sheffield updated the group on recent and upcoming activities and meetings. Discussion followed.

Lakeshore Regional Entity Update – Brad Casemore stated that there have been no new announcements or information.

County of Financial Responsibility (COFR) – Brad Casemore shared that PIHPs and CMH Chief Financial Officers are developing mutually agreeable language for PIHP contracts through Community Mental Health Association of Michigan (CMHAM) Contract Finance Committee. Tracy Dawson stated that she would email the single case agreement to the group. COFR will be added to next month's agenda.

United Health Care (UHC) Duals Special Needs Plan (D-SNP) – Brad Casemore stated that a meeting between SWMBH and UHC has been scheduled and he will give an update at next month's meeting.

Care Connect (CC) 360 Data Use Agreement (DUAs) — Brad Casemore thanked the group for submitting their DUAs.

Psychiatric Residential Treatment Facilities (PRTF) — Brad Casemore reported as documented. Discussion followed.

Michigan Health Link (MHL) Pre-Screens and Inpatient Psychiatric Diversions-CMH Roles – Brad Casemore reviewed history and emphasized the importance of MHL clients being enrolled in both Medicaid and Medicare. Anne Wickham and Beth Guisinger reviewed authorization processes, client history, diversions, and appointments. SWMBH's goal is to provide better service for the individual and increase diversions for inpatient hospitalizations. Discussion followed. Each CEO was given list of their county residents who are MHL enrollees with multiple psychiatric inpatient admissions. Topic to return to next month's agenda.

Fiscal Year 2019 Encounter and Financial Reporting Milestone Dates – Tracy Dawson reported as documented. Submission deadline is 12/1/19.

Fiscal Year 2020 4-month Medicaid Utilization Net Cost (MUNC) and Encounter Reporting Milestones – Tracy Dawson reported as documented noting new monthly submission requirements.

Tableau Year to Date Encounters Tracy Dawson reported as documented.

2020 Operations Committee Meetings – Committee reviewed the 2020 Operations Committee meeting dates and revised November and December meeting dates. Michelle Jorgboyan to send calendar invitations to the group.

Autism Review/Autism Spectrum Disorder (ASD) Service Analysis — Moira Kean reported as documented and reviewed workgroup recommendations. Moira Kean also reviewed the ASD Audit results with scores that need improvement. Discussion followed.

Individuals with Developmental Disabilities (I/DD) Level of Care (LOC) Guidelines – Moira Kean reported as documented noting that a CMHSP can implement a lower authorization threshold than what is identified in the SWMBH Levels of Care, when there is a valid local business reason that requires a variance from the regional standard, for select services. Otherwise, the LOC thresholds will be used to promote regional consistencies in benefits. Discussion followed.

Fiscal Year 2020 PIHP-DHHS Contract Development – Brad Casemore stated that the Michigan Department of Corrections contract language has been finalized in the DHHS/PIHP contract.

Fiscal Year 2020 Performance Bonus Incentive Program (PBIP) — Jonathan Gardner reported as documented. Discussion followed.

2020-2021 Ends Metrics – Jonathan Gardner reported as documented. Discussion followed. Group endorsed the 2020-2021 Ends Metrics for Board approval on November 8, 2019.

Michigan Health Endowment Fund (MHEF) Grant Update – Brad Casemore shared that SWMBH has hired staff for MHEF grant positions and work with Integrated Services of Kalamazoo (ISK) continues.

New Chief Information Officer (CIO) Introduction – Brad Casemore stated that he will announce a new CIO by the end of the week or early next week.

November SWMBH Board Agenda — Brad Casemore noted that a draft Board agenda is included in the packet for review.

DHHS Autism Spectrum Disorder practice guidelines – Brad Casemore noted the practice guidelines were uploaded to the SWMBH portal for the group's information.

DHHS memo identifying individuals for discharge at State Hospital – Brad Casemore reviewed the memo and stated that SWMBH will leave this issue with the CMHSPs to handle individually unless the CMHSP invites SWMBH to join.

Specialized Residential – Richard Thiemkey requested that discussions regarding specialized residential rate increases begin in the summer of 2020. Kathy Sheffield asked for guidance on out of state hospital admission requests. Brad Casemore stated that per MDHHS no Medicaid dollars can be used for hospitals the state has not specifically said are approved by virtue of meeting Michigan Mental Health Code Recipient Rights requirements.

Adjourned – Meeting adjourned at 2:00pm

Southwest Michigan Behavioral Health (SWMBH) Financial Risk Management Plan

SWMBH December 20198

DRAFT

Medicaid 1915 (b) / (c) Waiver1115 Demonstration waiver, 1915 (c)/(i), Healthy Michigan Plan and Austism 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 actuarially determined risk reserve valuations in accordance with Governmental Accounting Standards Board Statement #10 (GASB10) and the Medicaid 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 all 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. 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.
- Presentation to SWMBH Board for approval of the need for a sub-contract budget adjustment and funding increase.

Should SWMBH be imposed any contractual remedies, sanctions or penalties by a regulatory body or contractual payer 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.

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Southwest Michigan Behavioral Health (SWMBH) Financial Risk Management Plan

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)

MI Health Link- Medicare Medicaid Dual Eligible (MME) Demonstration Participating CMHSPs are paid FFS for MI Link participants. There are no risk sharing arrangements with the CMHSP's. SWMBH PIHP and Integrated Care Organizations (ICO) have specific risk sharing arrangements according to their respective contracts.

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 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 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.

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 and ISF policy.

Supervision of External Audits, Internal Audits, and Internal Controls

Independent Annual Audit - SWMBH and each participating CMHSP shall ensure the completion

Southwest Michigan Behavioral Health (SWMBH) Financial Risk Management Plan

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 five (5) business days of 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.

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.



Principal Office: 5250 Lovers Lane, Suite 200, Portage, MI 49002

P: 800-676-0423 F: 269-883-6670

November 25, 2019

John P. Duvendeck, CPA, Director

Division of Program Development, Consultation & Contracts

Bureau of Community Based Services

Regarding Risk Management Strategy 8.6.3

Dear Mr. Duvendeck,

The following is the Risk Management Strategy for Southwest Michigan Behavioral Health (SWMBH). This letter provides the required information in accordance with the PIHP Contract Section 8.6.3 and its accompanying Technical Advisory. Per the Technical Advisory our submission is informational to MDHHS only as we will not utilize state General Funds to address Medicaid risk. Thus, no response from the MDHHS is expected or requested.

SWMBH maintains a Medicaid Internal Service Fund (ISF) Risk Reserve as its primary risk protection to assure that its risk commitment is met. This segregated risk reserve will be funded based on actuarially determined risk reserve valuations in accordance with Governmental Accounting Standards Board Statement #10 (GASB10) and the MDHHS/PIHP Contract. The preliminary balance in the SWMBH Medicaid ISF Risk Reserve as of September 30, 2019 \$8,316,429.

SWMBH plans to use Medicaid ISF to cover PIHP risk obligations if any, for fiscal year 2019 and fiscal year 2020 (PIHP risk corridor).



In further protection of the region SWMBH requires participating CMHSP's to submit monthly, 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 and IBNR estimates. SWMBH Board reviews monthly financial statements.

For fiscal year 2019 SWMBH projects \$245,550,893 in Medicaid/HMP Capitation payments, of that \$12,078,245 in identified Autism payments now included in the Capitation for the region. Projected expenses of \$246,328,529, of that figure \$18,690,418 in identified Autism expense which is \$6,509,319 million dollars over the provided funding, thus out of necessity used ISF to cover the remaining \$777,636 that was unfunded.

We are aware that the funding for Autism is now included in the capitation but felt it was important in telling our story the effect the overwhelmingly negative effect the underfunding of the Autism program has had on our region.

To cover the projected deficit fiscal year 2019 SWMBH will use the following funding:

Internal Service Fund (ISF): \$808,140 will be utilized to cover the projected deficit.

Regarding fiscal year 2020 we find it extremely difficult to project or effect capitation revenue due to multiple varying approaches of MDHHS and Milliman and the lack of clarity and prospective revealing of MDHHS and Milliman intentions and calculations to the field. Therefore, we have no plausible estimate for fiscal year 2020 yearend financial projection.

Regarding PIHP/Participant CMHSPs risk management relationships SWMBH is solely responsible for Medicaid supports and services and any cost overruns at individual CMHSP or in the aggregate.

If you have any questions or require additional information, please do not hesitate to contact me at (269) 488-6442.

Sincerely,

Tracy L. Dawson

Chief Financial Officer

C: Brad Casemore, CEO SWMBH

DRAFT

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

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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

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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.

MI Health Link Duals Demonstration

Demonstration Participating CMHSPs are paid FFS for MI HealthLink participants. SWMBH and Integrated Care Organizations (ICO) according to their specific agreements pay a PEPM rate for participants enrolled in the demonstration project in our region.

MiChild

A health insurance program for uninsured children of Michigan's working families. MiChild services are provided by many HMOs and other health care plans throughout Michigan, the payment for the program is now included in the Medicaid Capitation payment amount.

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 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.

4

- 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.

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) Cost Allocation Plan for CMHSP'S DRAFT

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 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. Further, the Cost Allocation Plan methodologies will be used to determine actual allowable cost subject to cost settlement between SWMBH and participating CMHSPs.

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).
- 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. -
- 2. A listing of revenue and costs for all programs performed, administered, or serviced by these organizational units.
- 3. 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.
- 4. The procedures used to identify, measure, and allocate all costs to each benefiting program and activity.
- 5. 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 Michigan Department of Community Health 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 particular reference to Attachment D and the referenced 45 CFR Part 95, Subpart E.
- 3. Generally Accepted Accounting Principles (GAAP), with particular 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 evidences of cost (purchase requisitions, purchase orders, vouchers, requisitions for materials, inventories, labor time cards, 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 on the basis of 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 on the basis of 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 by the use of 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 so as 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 as a whole. 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

Ratio of Units to total Units of Service Applied to Cost (RUUAC)

A ratio that may be expressed as follows:

- The ratio of total beneficiary units of service to total units of service applied to total costs on a departmental basis; or
- The ratio of total cost to total units of service applied to total beneficiary units of service on a departmental basis.

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 CMH'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.

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.

COST APPORTIONMENT FOR COST BASED CMH's

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.

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 CMH/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 CMH that benefit the total eligible population of the CMH 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 CMH, 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 on the basis of 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 on the basis of 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 on the basis of 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 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.

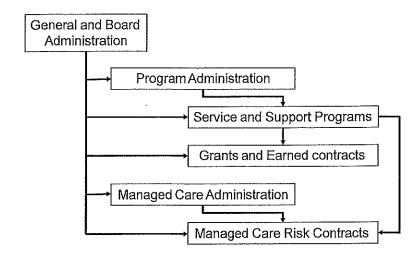
- Capital-Related Cost (depreciation and amortization, etc.) and Building Occupancy Costs, based on square feet operated for building and occupancy costs and actual depreciation for equipment and furnishings in use.
- Employee Benefit Costs, based on the dollar value of Salaries and Wages.
- General 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 Board Policy

Review Calendar Year 2020

Policy Number	Policy Name	Roard Review	Reviewer
	Board Governance (Policy Review	view)	
BG004	Board Ends and Accomplishments	January	Board
BG006	Annual Board Planning	April	Board
BG007	Code of Conduct	January	Board
BG001	Committee Structure	January	Board
BG010	Board Committee Principles	April	Board
BG011	Governing Style	May	Board
BG012	Open Meetings Act and	June	Board
BG002	Management Delegation	August	Board
BG008	Board Member Job Description	September	Board
BG003	Unity of Control	November	Board
BG005	Chairperson's Role	December	Board
	Direct Inspection (Reports)	(5	
BEL001	Budgeting	January	McShane
BEL007	Compensation and Benefits	April	Nelson
BEL002	Financial Conditions	June	Price
BEL006	Investments	June	Garrett
BEL004	Treatment of Staff	May	Meny
BEL005	Treatment of Plan Members	August	McShane
BEL009	Global Executive Constraints	September	Meny
BEL008	Communication and Counsel	October	Schmelzer
BEL010	RE 501 (c) (3) Representation	November	Walker
BEL003	Asset Protection	December	Barnes
	Board-Staff Relationship (Policy Review)	Review)	
EO002	Monitoring Executive Performance	November	Board
E0001	Executive Role & Job Description	September	Board
E0003	Emergency Executive Officer Succession	October	Board
Board Approved			
Revised 11/13/19			

Southwes	January-20 Febru	•Board Member Attendance to CMHSPs (July-December)	•FY 2020 Quality Assurance and Performance Improvement Plan	-FY19-20 Budget -FY2019 Program Integrity Compliance Evaluation - Operations Committee Written Report Evaluation
st Michigan Beh	February-20	pair	Nothing scheduled O	•FY 2019 Quality Assurance and Performance Improvement Program Evaluation I Fyrium
avioral Health CY	March-20	•Nothing scheduled	Operating Agreement Review	•Integrated Care •Consider Alternate Board Meeting Locations •FY19 Performance Incentive Program Revenue •FY 2019 Member Services Report •FY 2019 HIPAA Privacy/Security Report •2020 Utilization Management Plan
Southwest Michigan Behavioral Health CY 2020 Board Calendar	April-20	Election of Officers Public Policy Committee Update/Events External Auditor Report Fiscal Year 2019	•Operations Committee Self Evaluation	• Written MCHE Update • Operations Committee Written Report
	May-20	Board Retreat	• Environmental Scan and Strategic Imperatives	• MI Health Link Update •FY 2020 Mid-Year Contract Vendor Summary
	June-20	•Nothing scheduled	Nothing scheduled.	Management Information & Business Intelligence (MIBI) Information Systems Update FY 2021 Budget Assumptions Mid-Year Program Integrity Compliance Report

		Southwest Michigan	Southwest Michigan Behavioral Health CY 2020 Board Calendar	2020 Board Calendar		
	July-20	August-20	September-20	October-20	November-20	December-20
Events	Board Member Attendance to CMHSPs (January-June) Fiscal Year 2021 Budget Assumptions	• Nothing scheduled	Budget Pubic Hearing	Executive Officer Performance Review [documents to Executive Committee]	• Executive Officer Evaluation • MCG Fees	Calendar Year 2021 Board Calendar Approval Board Luncheon
Required Plans/ Policy Review	Nothing scheduled	• Updated Strategic Plan Draft	•FY 2021 Budget Review	• Fiscal Year 2021 Program Integrity Compliance Plan • FY 2021 Budget Approval	• Nothing scheduled	Credentialing of Behavioral Health Practitioners Credentialing of Organizational Providers Financial Risk Management Plan Management Plan Cost Allocation Plan
Board Education	Operations Committee Written Report	Draft FY 2021 Budget Provider Network Report Substance Use Disorder Oversight Policy Board Update	•Compliance Role & Function •Integrated Care	Operations Committee Written Report Written MCHE Update	Fiscal Year 2020 Contract Vendor Summary Information Systems Update Auditor Report RFP FY20 Compliance Plan Approval	Pry 2020 Customer Services Report Vear End Accomplishments Summary Program Integrity- Compliance Report IS/IT UPdate
*Planning Calendar. Sub	*Planning Calendar. Subject to Board and Management revision	vision				
version: 11/14/19						

Southwest Michigan BEHAVIORAL HEALTH

Section:	19311111	Policy Number:		Pages:
Board Policy- Board Govern	ance/	BG-005		2
Management				
Subject:		Required By:		Accountability:
Board Chair Role		Policy Governance	2	SWMBH Board
Application:				Required Reviewer:
SWMBH Governance Bo	oard	SWMBH EC)	SWMBH Board
Effective Date:	Last Review	Date:	Past Review Da	
12.20.2013	12.8.17		11.14.14, 12.11	.15, 12.9.16

I. PURPOSE:

To establish the role of the Chair of the SWMBH Board.

II. POLICY:

It shall be the policy of the SWMBH Board to abide by its bylaws in the management of its business affairs. The Chair shall preside at all SWMBH Board meetings.

The Chair shall have the power to perform duties as may be assigned by the Regional Entity Board. If the Chair is absent or unable to perform his or her duties, the Vice Chair shall perform the Chair's duties until the Regional Entity Board directs otherwise.

III. STANDARDS:

The Chair shall be a specially empowered member of the Board who shall be responsible for ensuring the integrity of the Board's process and represents the Board to outside parties.

- a. The result of the Chair's job is that the Board acts consistently with its own rules and those legitimately imposed upon it from outside the organization.
 - 1. Meeting discussion content will consist of issues that clearly belong to the Board to decide or to monitor according to Board policy.
 - 2. Information that is neither for monitoring Board or enterprise performance nor for Board decisions will be avoided or minimized.
 - 3. Deliberation will be fair, open, and thorough, but also timely and orderly.
- b. The authority of the Chair consists in making decisions that fall within topics covered by Board policies on Governance Process and Board-Management Delegation, with the exception of (i) employment or termination of the EO and (ii) areas where the Board specifically delegates portions of this authority to others. The Chair is authorized to use any reasonable interpretation of the provision in these policies.
- c. The Chair is empowered to preside over all SWMBH Board meetings with all the commonly accepted power of that position, such as agenda review, ruling, and recognizing.

- d. The Chair has no authority to make decisions about policies created by the Board within *Ends* and *Executive Limitations* policy areas. Therefore, the Chair has no authority to supervise or direct the EO.
- e. The Chair may represent the Board to outside parties in announcing Board-stated positions and in stating Chair decisions and interpretations within the area delegated to that role. The Chair may delegate this authority but remains accountable for its use.
- * Verbatim from the Bylaws:
- **4.9 Special Meetings.** Special meetings of the Regional Entity Board may be held at the call of the Chair of the Regional Entity Board or, in the Chair's absence, the Secretary, or by a simple majority of the Regional Entity Board members.
- **6.1 Officers**. The Officers of the Regional Entity Board shall be the Chairperson, the Vice Chairperson, and the Secretary. Only Officers of the Regional Entity Board can speak to the press as representatives of the Regional Entity.
- **6.2 Appointment.** Officers will be elected by a majority vote of the Regional Entity Board members, and must be a representative of the Participant's Board.
- **6.3 Term of Office.** The term of office of Officers elected in 2013 shall be through March 30, 2014. Thereafter the term of office of Officers shall be annual April to March with annual April Officer elections. Election of Officers of the Regional Entity Board shall occur annually, or in case of vacancy.
- **6.5 Removal**. The Regional Entity Board will be able to remove any Regional Entity Board Officer by a super majority (75% of attendees) vote of Regional Entity Board members present at a meeting where a quorum is present and shall constitute an authorized action of the Regional Entity Board.
- **6.6 Chair.** The Chair shall preside at all Regional Entity Board meetings. The Chair shall have the power to perform duties as may be assigned by the Regional Entity Board. The Chair shall perform all duties incident to the office.
- **6.7 Vice Chair.** The Vice Chair shall have the power to perform duties that may be assigned by the Chair or the Regional Entity Board. If the Chair is absent or unable to perform his or her duties, the Vice Chair shall perform the Chair's duties until the Regional Entity Board directs otherwise. The Vice Chair shall perform all duties incident to the office.
- **6.8 Secretary.** The Secretary shall: (a) ensure that minutes of Regional Entity Board meetings are recorded; (b) be responsible for providing notice to each Regional Entity Board Member as required by law or these Bylaws; (c) be the custodian of the Regional Entity records; (d) keep a register of the names and addresses of each Officer and Regional Entity Board Member; (e) complete all required administrative filings required by the Regional Entity's legal structure; and (f) perform all duties incident to the office and other duties assigned by the Regional Entity Board.

Southwest Michigan BEHAVIORAL HEALTH

Section:		Policy Number:		Pages:
Board Policy- Executive Lin	nitation	BEL-003		2
Subject:		Required By:		Accountability:
Asset Protection		Policy Governance)	SWMBH Board
Application: SWMBH Governance Bo	oard 🛛 S	WMBH Executive	Officer (EO)	Required Reviewer: SWMBH Board
Effective Date:	Last Review	Date:	Past Review Da	
02.14.2014	12.8.17		11.14.14, 12.11	.15, 12.9.16

I. PURPOSE:

To establish a policy for asset protection, and financial risk management.

II. POLICY:

The Executive Officer shall not cause or allow corporate assets to be unprotected, inadequately maintained, or unnecessarily risked.

III. STANDARDS:

Additionally, the Executive Officer shall not;

- 1. Subject facilities and equipment to improper wear and tear or insufficient maintenance.
- 2. Fail to protect intellectual property, information and files from loss or significant damage.
- 3. Fail to insure adequately against theft and casualty and against liability losses to Board Members, Staff, and the Organization itself.
- 4. Compromise the independence of the Board's audit or other external monitoring or advice, such as by engaging parties already chosen by the Board as consultants or advisers.
- 5. Endanger the Organization's public image or credibility, particularly in ways that would hinder its accomplishment of mission.
- 6. Change the organization's name or substantially alter its identity in the community.
- 7. Allow un-bonded personnel access to material amounts of funds.
- 8. Unnecessarily expose the Organization, its Board, or Staff to claims of liability.
- 9. Make any purchases:
 - i. Wherein normally prudent protection has not been given against conflict of interest
 - ii. Inconsistent with federal and state regulations related to procurement using SWMBH funds.
 - iii. Of more than \$100,000 without having obtained comparative prices and quality

BEL-003

- iv. Of more than \$100,000 without a stringent method of assuring the balance of long-term quality and cost.
- v. Of split orders to avoid these criteria.
- 10. Receive, process, or disburse under controls that are insufficient to meet the Board-appointed auditor's standards.
- 11. Invest or hold operating capital and risk reserve funds in instruments that are not compliant with the requirements of Michigan Public Act 20.

Executive Limitations Monitoring to Assure Executive Performance Board date December 13, 2019

Policy Number: BEL-003

Policy Name: Asset Protection
Assigned Reviewer: Patrick Garrett

Period under review: October 2018 - October 2019

Purpose: To establish a policy for asset protection, and financial risk management.

Policy: The Executive Officer shall not cause or allow corporate assets to be unprotected, inadequately maintained, or unnecessarily risked.

Standards: Accordingly, the EO may not;

1. Subject facilities and equipment to improper wear and tear or insufficient maintenance.

EO Response: As evidenced by a walk-through of the agency, facilities and equipment are not subjected to improper wear and tear or insufficient maintenance. SWMBH Operations Department performs regular direct and indirect surveillance and manages maintenance needs with housekeeping contractors and landlord.

In addition, SWMBH has just completed carpet cleaning and are in the process of replacing worn out carpet tiles (single tile replacement is a cost savings for SWMBH). Paint refreshment throughout the building is also underway.

2. Fail to protect intellectual property, information and files from loss or significant damage.

EO Response: No loss of or significant damage to intellectual property, information or files has occurred. SWMBH maintains locked doors and locked cabinets for storage of key business files, and electronic filing systems are log-in and password assigned by individual, and are auditable. Laptop and other devices are configured to prohibit the capture of network information onto peripheral hard drives/thumb drives. SWMBH maintains a Human Resources policy on proper use of intellectual property. Electronic files are backed up regularly and stored off-site. No loss of intellectual property,

information or files has occurred as evidenced by the absence of related Incident Report, police or fire reports or related casualty-property insurance claims.

- 3. Fail to insure adequately against theft and casualty and against liability losses to board members, staff, and the organization itself.
 - EO Response: SWMBH has a comprehensive Officers and Directors and general liability Policy with Michigan Municipal Risk Management Association. The premium has been paid and the Policy is active.
- 4. Compromise the independence of the board's audit or other external monitoring or advice, such as by engaging parties already chosen by the board as consultants or advisers.
 - EO Response: SWMBH has not engaged any parties already chosen by the Board as consultants or advisers.
- 5. Endanger the organization's public image or credibility, particularly in ways that would hinder its accomplishment of mission.
 - EO Response: No endangerment of the organization's public image or credibility has occurred as evidenced by no negative press per media scanning and no external or internal complaints related hereto.
- 6. Change the organization's name or substantially alter its identity in the community.
 - EO Response: SWMBH has not changed the organization's name or substantially altered the SWMBH identity in the community.
- 7. Allow un-bonded personnel access to material amounts of funds.
 - EO Response: SWMBH staff are covered for their business activity under the MMRMA Policy. Management controls include segregation of duties. Bank accounts are reconciled by the finance department at least monthly to minimize risk of mismanagement or diversion of funds.
- 8. Unnecessarily expose the organization, its board, or staff to claims of liability.
 - EO Response: SWMBH has not exposed the organization, the Board, or staff to claims of liability as evidenced by the absence of liability claims against the organization, Board or staff.
- 9. Make any purchases:

- i. Wherein normally prudent protection has not been given against conflict of interest
- ii. Inconsistent with federal and state regulations related to procurement using SWMBH funds.
- iii. Of more than \$100,000 without having obtained comparative prices and quality
- iv. Of more than \$100,000 without a stringent method of assuring the balance of long-term quality and cost.
- v. Orders should not be split to avoid these criteria.

EO Response: All purchases receive prudent protection against conflict of interest by virtue of multi-party review and approvals using a detailed process. All applicable purchases are subject to review by both Operations and Program Integrity-Compliance for alignment to federal and state regulations related to procurement. No purchase above \$100,000 has occurred during this time period under review. Orders have not been split to avoid these criteria. Procurement policy and administrative files are available on-site upon request.

- 10. Receive, process, or disburse funds under controls that are insufficient to meet the board-appointed auditor's standards.
 - EO Response: SWMBH does not receive, process or disburse funds under controls that are insufficient. The board-appointed auditor Roslund-Prestage had no findings in this area in its recent audit of SWMBH.
- 11. Invest or hold operating capital and risk reserve funds in instruments that are not complaint with the requirements of Michigan Public Act 20.
 - EO Response: Operating capital and risk reserve funds are held in instruments compliant with the requirements of Michigan Public Act 20 as well as the Board-approved Investment Policy.

We invited Mr. Garrett to set a call and or meeting with the CEO and/or CFO at his discretion.

Related Documents Provided:

SWMBH Investment Policy and Investment Placements Summary Michigan Municipal Risk Management Authority Policy

1 of 1

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15	1	Mos in Period							
	P01FYTD20	ı							
3 (For internal Management Purposes Cirity)									
INCOME STATEMENT	TOTAL	Medicald Contract	Healthy Michigan Contract	Autism Contract	MI Health Link	SA Block Grant Contract	SA PA2 Funds Contract	SWMBH Central ASO Activities	Indirect Pooled
1									
	300 ARD NC	15 880 579	2 614 398	1 380 082	298.425	435.400	599.324	•	•
17 DHHS loceptive Dayments	164,671	154,671	•	•	•	,		1	
	52,070	•	•	•	•	52,070	t	* 60	
	20,020	•		• •	• •	. 1		20,020	
	0/0	•	. 1		1 1	•	• •	143.849	
22 Other Local Income	21,042	1	1	•	•		•	21,042	1
	763 000 70	45 005 054	2 644 308	4 380 082	208 APS	A87 A70	599 324	185 597	
24 IOIAL REVENUE	/ca,uec,rx	10,020,01	2,014,000	You'coo'l	400,440	Part Int	troing.	100000	
25 EXPENSE 27 Healthcare Cost									
28 Provider Claims Cost 29 CMHP Subcontracts, net of 1st & 3rd party	1,597,858	342,749 15,015,922	477,818 1,529,030	1,391,407	327,433 139,724	422,575	27,293	1 1	F - E
30 Insurance Provider Assessment Withhold (IPA) 32 MH. Cost in Excess of Medicare FFS Cost	233,462	233,462		, ,	(192,066)		1 1		1
33 Total Healthcare Cost	19,950,740		2,005,849	1,391,407	275,091	465,901	27,293	 - 	6
35 [Medical Lass Ratio (HGC % of Revenue) 36	84,3%		75.8%		92.27e	%0.70F	eker't		
37 Administrative Cost 38 IPurchased Professional Services	49,796	,	F	•	*	,	•	49,796	1
	522,936	•	ī	1	•	1	1	522,936	•
41 Depreciation	9,177		1 (• •	15.245	• •	9,17/	
42 Full calculated Indirect Pooled Cost	•	•		1	1		ı	,	1
	1,305,808	1,086,447 440,552	109,496 57,565	99,931 39,911	9,934 13,400	13,801	. 1	(565,229)	
46 Total Administrative Cost Administrative Cost Adminicost Retional Action Cost	1,887,716	1,526,989	167,061	139,842	23,334	29,047	%0°0	1,434	
50 I and Erinde Contribution	143.849			•	•	•		143,849	•
52 TOTAL COST after apportionment	21,882,306	17,341,198	2,173,910	1,531,249	298,425	494,947	27,293	146,283	*
554 NET SURPLUS before settlement 55 Net Surplus (perfeit) % of Revenue	(691,769) -2.8%	(1,485,947) -9.4%	440,488	(151,167) -11.0%	0.0%	(7,477) -1,5%	572,034 95.4%	40,304 21.7%	3
	, !	•	1	•	•	•		,	
58 Change in PA2 Fund Balance 50 ISE Bisk Reserve Abatement (Funding)	(564,554)				• •	1 1	(504,504)	(978)	
60 ISF Risk Reserve Deficit (Funding)	1,196,627	1,195,627	(440 488)	154 167	, ,	7.477	(7.477)		
62 NET SURPLUS (DEFICIT) 63 HMP& Author is settled with Medicaid	39,628					_	(0)	39,628	
66 SUMMARY OF NET SURPLUS (DEFICIT) 66 Prior Var I Inchest Savings		•		•	1	•	•	1	
		•		•	•	Ì	ſ	•	
68 Current Year Public Act 2 Fund Balance 69 Local and Other Funds Surplus/(Deficit)	39,628	• •	1	1 3	1		· ©	39,628	1
71 NET SURPLUS (DEFICIT)	39,628	•	•			*	(0)	39,628	, , , , ,
7.7.									

	 		6 Inedicald Spec 7 Subcontract Revenue 8 Incentive Payment Re	7	10 The External Provider Cost 12 Internal Program Cost 13 SSI Reimb, 1st/3rd Par 14 Insurance Provider Ass		19 Managed C 20 Admin Cost F	22 Contract Cost		25 Prior Year Savings 26 Internal Service Ful		1 29 30 Eliqibles and PMPM 31 Average Eligibles 32 Revenue PMPM 33 Expense PMPM 34 Margin PMPM				56 Managed (58 Actual
<u>ਜ</u>	3ehavior 10/31/2019	INCOME STATEMENT	Medicald Specialty Services Subcontract Revenue Incentive Payment Revenue	evenue	External Provider Cost Internal Program Cost SSI Reimb, 1st3rd Party Cost Offset Insurance Provider Assessment Withhold (IPA)	MHI. Cost in Excess of Medicare FFS Cost Total Healthcare Cost Medical Loss Ratio (HCC % of Revenue)	Managed Care Administration Admin Cost Ratio (MCA % of Total Cost)	ost	Net before Settlement	Prior Year Savings Internal Service Fund Risk Reserve Contrard Settlement / Perfistfington	ettlement	nd PMPM gibles MPM MPM MPM	Medicaid Specialty Services Budget v Actual Eligible Lives (Average Eligibles) Actual Budget Variance - Favorable / (Unfavorable)	<u>Contract Revenue before settlement</u> Actual Budget Variance - Favorable / (Unfavorable) % Variance - Fav / (Unfav)	Healthcare Cost Actual Budget Variance - Favorable / (Unfavorable) % Variance - Fav / (Unfav)	Managed Care Administration Actual
н	l Health	Total SWMBH	15,660,579	15,825,251	11,235,375 4,260,155 1,802 233,462	42,408 15,773,203 98.7%	1,536,932 8.9%	17,310,135	(1,484,884)	- 289.320	(1,195,564)	145,480 \$ 108.78 \$ 118.99 \$ (10.21)	145,480 148,407 (2,927) -2.0%	15,825,251 17,005,737 (1,180,487) -6,9%	15,773,203 15,887,436 114,234 0,7%	1,536,932
-			нссж 2,403,964 164,671	2,568,636	342,749 	42,408 618,619 24.1%	440,552	1,059,171	1,509,465	, 2,705,029)	(1,195,564)	145,480 17.66 \$ 7.28 \$ 10.38	145,480 148,407 (2,927) -2.0%	2,568,636 1,436,837 1,131,799 78.8%	618,619 860,837 242,218 28.1%	440,552
ţ		CMH Participants	79.0% 13,256,615 -	13,256,615	10,892,627 4,260,155 1,802	15,154,583	1,096,381 6.3%	16,250,954	(2,994,349)	2.994.349		145,480 91.12 \$ 111.71 \$ (20.58)	145,480 148,407 (2,927) -2.0%	13,256,615 15,568,901 (2,312,286) -14.9%	15,154,583 15,026,599 (127,984) -0.9%	1,096,381
¥		Barry CMHA	74.2% 598,504	598,504	397,949 233,074 (451)	630,571	53,220 7.8%	683,791	(85,287)			7,379 81.11 \$ 92.67 \$ (11.56)	7,379 7,521 (142)	598,504 616,365 (17,861) -2.9%	630,571 648,015 17,443 2.7%	53,220
1			77.6% 2,800,663 -	2,800,663	2,303,687 803,107 68,375	3,175,169	185,492 5.5%	3,360,661	(259,998)	559.998	***************************************	28,271 \$ 99.06 \$ 118.87 \$ (19.81)	28,271 28,972 (701) -2.4%	2,800,663 3,099,678 (299,015) -9.6%	3,175,169 3,037,755 (137,414) -4.5%	185,492
M	,	Pines Behavioral	76.0% 784,619 -	784,619	461,811 240,777 (6,901)	695,687	64,231 8.5%	759,918	24,701	. (24.701)		7,994 \$ 98.15 \$ 95.06 \$ 3.09	7,994 8,437 (443) -5,3%	784,619 832,436 (47,816) -5.7%	695,687 796,601 100,914 12.7%	64,231
z		Summit Pointe	79.0% 2,610,443 -	2,610,443	1,938,142 907,137 (23,272)	2,823,006	178,950 6.0%	3,001,956	(394,513)	391.513		27,435 \$ 95,15 \$ \$ 109,42 \$ \$ (14,27) \$	27,435 27,913 (478) -1,7%	2,610,443 2,856,925 (246,482) -8,6%	2,823,006 2,678,730 (144,276) -5.4%	178,950
0	Woodlands	Behavioral	82.9% 797,993 -	797,993	515,851 257,463 (2,881)	770,454	61,104 7.3%	831,557	(33,565)	33.565		8,570 93.11 97.03 (3.92)	8,570 8,550 20 0.2%	797,993 812,697 (14,704) -1.8%	770,454 771,398 944 0.1%	61,104
Ф	Kalamazoo	CCMHSAS	79.7% 3,257,373 -	3,257,373	4,130,033 756,284 (27,923)	4,858,394	401,056	5,259,450	(2,002,077)	2.002.077		38,300 \$ 85.05 \$ 137.32 \$ (52.27)	38,300 39,123 (823) -2.1%	3,257,373 4,813,767 (1,556,395) -32,3%	4,858,394 4,554,626 (303,768) -6.7%	401,056
a		St Joseph CMHA	61,3% 1,008,511 -	1,008,511	378,870 378,308	757,178	50,932	808,111	200,401	(200,401)		12,074 \$ 83.53 \$ 66.93 \$ 16.60	12,074 12,222 (148)	1,008,511 1,045,081 (36,569) -3,5%	757,178 1,080,980 323,802 30.0%	50,932
깥		Van Buren MHA	81.2% 1,398,509	1,398,509	765,285 684,004 (5,165)	1,444,124	101,396 6.6%	1,545,520	(147,011)	147.011		15,457 \$ 90.48 \$ 99.99 \$ (9.51).	15,457 15,669 (272) -1,4%	1,398,509 1,491,952 (93,443) -6.3%	1,444,124 1,458,486 14,371 10%	101,396

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2 For il	Southwest Michigan Behavioral Health For the Fiscal YTD Period Ended 10/31/2019	al Health	Mos in Period									
3 (For la	3 (For Internal Management Purposes Only)		ok						Woodlands	Kalamazoo		
4 INC	4 INCOME STATEMENT	Total SWMBH	SWMBH Central CMH Part	CMH Participants	Barry CMHA	Berrien CMHA	Pines Behavloral	Summit Pointe	Behavioral	CCMHSAS	St Joseph CMHA	Van Buren MHA
5 Sudget	ja	1.715,480	580,661	1,134,820	48,254	226,441		193,328	59,107			90,792
60 Varie	60 Variance - Favorable / (Unfavorable)	178,548		38,439	(4,966)	40,949	2,295	14,378	(1,997)	(18,179)	16,561	(10,603)
> 	61 % Variance - Fav / (Unfav)	10.4%	24.1%		-10.3%	18.1%		7.4%	-3.4%			-11.7%
62 63 Tota	62 63 Total Contract Cost											
64 Actual	9	17,310,135		16,250,964		3,360,661		3,001,958	831,557			1,545,520
65 Budget	jet	17,602,917	- -	16,161,419	696,269	3,264,196	863,127	2,872,058	830,505	4,937,503	1,148,474	1,549,288
66 Varis	66 Variance - Favorable / (Unfavorable)	292,781	382,327	(89,545)		(96,465)		(129,899)	(1,052)			3,768
67 % N	67 % Variance - Fav / (Unfav)	1.7%	26.5%			-3.0%		-4.5%	-0.1%			0.2%
69 Net	58 69 Net before Settlement											
70 Actual	Įr.	(1,484,884)	1,509,465		(85,287)			(391,513)	(33,565)	(2,002,077)		(147,011)
71 Budget	get	(597,179)	(4,661)	(592,518)	(79,904)	(164,518)	(30,691)	(15,132)	(17,808)	(123,736)	(103,393)	(52,336)
72 Varit	72 Variance - Favorable / (Unfavorable)	(887,705)	1,514,126		(5,383)			(376,381)	(15,756)	(1,878,342)		(89,675)
22												

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Southwest Michigan B For the Fiscal YTD Period Ended . (For Internal Management Purposes Only)	Southwest Michigan Behavioral Health For the Fiscal YTD Period Ended 10/31/2019 (For Internal Management Purposas Only)	Health	Mos in Period 1 ok						Woodlands			
INCOME STATEMENT		Total SWMBH	SWMBH Central	CMH Participants	Ватту СМНА	Berrien CMHA	Pines Behavioral	Summit Pointe	Bahavioral	CCMHSAS	St Joseph CMHA	Van Buren MHA
75 Healthy Michigan Plan	igan Plan	2,614,398	HCC%	8.0% 2,444,612	145,946	502,210	8.4%	11.3%	3.6%	6.6% 687,315	11.0%	4.8%
77 External Provider Cost 79 Internal Program Cost 80 Insurance Provider Ass	External Provider Cost Internal Program Cost Insurance Provider Assessment Withhold (IPA)	1,239,141	477,818	761,323 767,707	57,819 67,071	167,603 133,758	21,837 55,104	184,975 217,616	808 32,731	298,352 104,040	19,799 82,907	10,130 74,479
	Ost C % of Revenue)	2,006,849	477,818	1,529,030	124,890	301,361	76,941	402,592	33,539	402,392	102,706	84,609
Managed Care Administration 84 Managed Care Administration 85 Admin Cost Ratio (MCA % of Total Cost)	ninistration A % of Total Cost)	167,061 7.7%	57,565 2.6%	109,496 5.0%	10,541	17,605 5.5%	7,104	25,520	2,660 7.3%	33,217 7.5%	606'9 608'9	5,941
Contract Cost	, •	2,173,910	535,383	1,638,527	135,431	318,966	84,045	428,112	36,199	435,609	109,615	90,550
88 Net before Settlement	ient	440,488	(365,597)	806,085	(19,485)	183,244	28,765	20,283	112,835	251,706	85,301	143,436
90 Prior Year Savings 91 Internal Service Fund Risk Reserve	d Risk Reserve	. ,	, ,	, ,					1 1		, ,	
92 Contract Settlement / Redistribution	t / Redistribution	(440,488)	365,597	(806,085)	19,485	(183,244)	(28,765)	(20,283)	(112,835)	(251,706)	(85,301)	(143,436)
93 Net arter Semement		(D)	0	'	, [*	'	'	1	•	1	
95 Eligibles and PMPM 96 Average Eligibles 97 Reverue PMPM 98 Expense PMPM 99 Margin PMPM		49,072 \$ 53.28 44.30 \$ 8.98	49,072 \$ 3,46 10.91 \$ (7,45)	49,072 \$ 49.82 33.39 \$ 16.43	2,368 48,96 57,19 \$ (8.23)	10,147 \$ 49,49 31,43 \$ 18.06	2,290 49.26 36.70 \$ 12.56	8,885 50.47 48.18 \$ 2.28	3,028 \$ 49.22 11.95 \$ 37.26	13,667 \$ 50.29 31.87 \$	3,923 \$ 49.69 27.94 \$	4,764 \$ 49.12 19.01 \$ 30.11
100 Healthy Michigan Plan	igan Plan											
103 104 <u>Eligible Lives (Average Eligibles)</u> 105 Actual 106 Budget 107 Variance - Favorable / (Unfavorable) 108 % Variance - Fav / (Unfav	era <u>qe Eliqibles)</u> le / (Unfavorable) (Unfav)	49,072 51,569 (2,497) -4.8%	49,072 51,569 (2,497) -4.8%	49,072 51,569 (2,497) -4.8%	2,368 2,512 (144) -5.7%	10,147 10,410 (263) -2.5%	2,290 2,431 (141) -5.8%	8,885 9,168 (283) -3.1%	3,028 2,975 53 1,8%	13,667 15,052 (1,385) -9.2%	3,923 3,917 6 0,2%	4,764 5,103 (339) -6.6%
100] Tontract Revenue before settlement 111 Actual 112] Budget 113] Variance - Favorable / (Unfavorable) 114] % Variance - Fav / (Unfav)	before settlement le / (Unfavorable) (Unfav)	2,614,398 2,418,918 195,480 8.1%	169,786 418,017 (248,231) -59.4%	2,444,612 2,000,901 443,711 22.2%	115,946 96,605 19,341 20.0%	502,210 403,713 98,498 24,4%	112,810 93,769 19,041 20.3%	448,395 358,047 90,348 25.2%	149,034 114,026 35,008 30.7%	687,315 587,468 99,847 17.0%	194,916 151,405 43,511 28.7%	233,986 195,869 38,117 19,5%
115 Heathcare Cost 177 Actual 118 Budget 119 Variance - Favorable / (Unfavorable) 220 % Variance - Fav / (Unfav	le / (Unfavorable) (Unfav)	2,006,849 2,093,977 87,128 4.2%	477,818 484,419 6,601 1.4%	1,529,030 1,609,558 80,528 5.0%	124,890 115,063 (9,828) -8.5%	301,361 240,704 (60,656) -25,2%	76,941 105,486 28,545 27.1%	402,592 396,983 (5,608) -1.4%	33,539 81,870 48,331 59.0%	402,392 427,357 24,964 5.8%	102,706 97,109 (6,597) -5.8%	84,609 144,986 60,377 41.6%
142) 122) Managed Care Administration 122) Budgel 124) Budgel 125) Variance - Favorable / (Unfavorable) 126) % Variance - Fav / (Unfav)	ministration le / (Unfavorable) (Unfav)	167,061 200,471 33,410	57,565 79,213 21,649 27.3%	109,496 121,258 11,762 9.7%	10,541 8,568 (1,973) -23.0%	17,605 17,943 337 1.9%	7,104 8,809 1,706	25,520 28,651 3,131 10.9%	2,660 6,273 3,613 57.6%	33,217 35,925 2,708 7.5%	6,909 6,063 (845) -13.9%	5,941 9,026 3,085, 34,2%
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-	Southwest Michigan Behavioral Health	oral Heal	ft	Mos In	Mos in Period											
٧	2 For the Fiscal YTD Period Ended 10/31/2019	_o			н											
က	3 (For Internal Management Purposes Only)			õ	ىد											
4	4 INCOME STATEMENT	Total	Total SWMBH	SWMBH Central		CMH Participants	Barry CMHA	Berrien CMHA	Pines Behavloral		Summit Pointe	Woodlands	Kalamazoo	ů	Cult.	St Joseph Child New Description
þ									i	!	2000		CCITILICA	5	Septimental Carlor	van buren may
~	128 Total Contract Cost															
Ñ	29 Actual	6	2,173,910	ťΩ	535,383	1,638,527					428,112	36.199		on.	109 615	90.55(
<u>~</u>	130 Budget	2	2,294,448	S	563,632	1,730,816				p	425,634	88,143			103 173	154.01
3	131 Variance - Favorable / (Unfavorable)	-	120,538		28,249	92,289	(11,800)				(2.478)	51.944		٠.	(6,442)	83.46
33	132 % Variance - Fav / (Unfav)		5.3%		5.0%	5.3%		-23.3%	% 26.5%	۰,۰	-0.6%	58.9%	80%	۱ ×	-6.2%	41.2%
<u>:</u>															į	
<u> </u>	134 Net before Settlement															
<u>5</u>	135 Actual	٠	440,488	ಲ	165,597)	806,085	(19,485)	•			20,283	112,835		60	85.301	143.436
Ę	136 Budget		124,470	Œ	(145,616)	270,085	(27,026)	145,066	3 (20,526)	6	(67,587)	25,883	124.185		48.232	41.858
<u> </u>	137 Variance - Favorable / (Unfavorable)		316,018	. C	119,981)	536,000	7,541			٠	87,870	86,952			37.069	101.578
Ĕ							•				•			,		
139	Ī	*														

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1 Southwest Michigan Behavioral Health Per the Fiscal YTD Period Ended 10/31/2019 Remander Period Ended 10/31/2019	al Health	Mos In Perlod 1 ok									
4 INCOME STATEMENT	Total SWMBH	SWMBH Central	CMH Participants	Barry CMHA	Berrien CMHA	Pines Behavioral	Summit Pointe	Woodilands Behavloral	CCMHSAS	St Joseph CMHA	Van Buren MHA
140 Autism Specialty Services	1.380.082	HOC%	7.3%	5.0% 66.643	11.2%	9.9% 73.345	3.3%	5.8%	7,2%	6 2.1% 409.515	9.7% 136.598
142 143 External Provider Cost	1 221 116		1 221 116	·	457,196	89.536	1.011	54.312	436.415		163.698
144 Internal Program Cost		ŧ 1	170,291	42,924	£ '	626	116,686				9,354
146 Total Healthcare Cost	1,391,407	'	1,391,407	42,924	457,257	90,515	147,697	54,312	436,415	19,236	173,052
147 Medical Loss Ratio (HCC % of Revenue)	100.8%	20.0		64,4%	171.5%	123,4%	46.8%	77.1%	107.9%	4 17.6%	126.7%
149 Managed Care Administration	139,842	39,911	99,931	3,623	26,713	κό	7,461	4,307	36,026	1,294	12,150
150 Admin Cost Ratio (MCA % of Total Cost)	9.1%	2.6%	6.5%	7.8%	5.5%	8.5%	6.0%	7.3%	7.6%	6.3%	%9"9
152 Contract Cost	1,531,249	39,911	1,491,338	46,546	483,970	98,872	125,158	58,619	472,440	20,530	185,202
153 Net before Settlement	(151,167)	(39,911)		20,097	(217,343)	(25,527)		11,827	(67,871)		(48,604)
154 Contract Settlement / Redistribution	151,167		111,2	(20,097)	217,343	25,527	(127,180)	(11,827)	67,871	(88,985)	48,604
155 Net after Settlement	(0)	(0)	0	•	'	'	r	1			•
	×			į				;			
158 SUD BIOCK Grant I reatment	:	HCC%		0.4%	0.5%		%0.0	0.6%	%0,0		-0.2%
159 Contract Revenue	435,400	404,246	31,155		•	2,913	•	12,303	•	15,939	*
161 External Provider Cost	422,575	422,575	•	•	ı	1	• •	•	ı	•	•
162 Internal Program Cost		•	43,326	3,636	20,977	8,962	•	5,407	490	6,603	(2,749)
163 Insurance Provider Assessment Withhold (IPA)			•	1	•	1	-	' ! 	•		
164 Total Healthcare Cost	465,901	42	4	3,636	20,			5,407	490	ш	(2,749)
165 Medical Loss Ratio (HCC % of Revenue)	107.0%	104.5%	139.1%	0.0%	0.0%	307.6%	0.0%	43.8%	%0.0	6 41.4%	2000
160 167 Managed Care Administration	(23,023)	(23,023)	•	•	1	ı	•	•	•	•	•
168 Admin Cost Ratio (MCA % of Total Cost)	-5,2%		%0.0	0.0%	0.0%	%0.0	0.0%	0.0%	0.0%	%0.0%	%0°0
170 Contract Cost	442,877	399,551	43,326	3,636	20,977	8,962	7	5,407	490	6,603	(2,749)
171 Net before Settlement	(7,477)	4,694	_	(3,636)		(6,049)	•	968'9	(490)		2,749
172 Contract Settlement	7,477		12,171	3,836	20,977	6,049	•	(6,896)	480	(9,335)	(2,749)
173 Net after Settlement	0	0	•	•	•	'	'	•			•
174											
W-17	×										

Southwest Michigan Behavioral Health	Health	I Mos In Period	7	Х	_	Σ	Z	0	Ь	Ö	æ
2 For the Fiscal YTD Period Ended 10/31/2019 3 (For Internal Management Purposes Only)		ok 1						*puelpooM	Kalamazoo		
4 INCOME STATEMENT	Total SWMBH	SWMBH Central	CMH Participants	Barry CMHA	Berrien CMHA	Pines Behavioral	Summit Pointe	Behavioral	CCMHSAS	St Joseph CMHA	Van Buren WHA
176 SWIMBH CMHP Subcontracts 1777 Subcontract Revenue	20,090,459	2,977,996	17,112,463	781,094	3,569,500	973,688	3,311,175	1,029,775	4,349,257	1,328,881	1,769,093
178 Incentive Fayment Revenue 179 Contract Revenue	20,255,131	3,142,667	17,112,463	781,094	3,569,500	973,688	3,311,175	1,029,775	4,349,257	1,328,881	1,769,093
180] External Provider Cost 182] Herbran Program Cost 182] Nethernal Program Cost 183] Sci Reimh 1448m Parth Cost Offset	14,118,207 5,241,479 1,802	1,243,142	12,875,066 5,241,479 1,802	455,768 346,705 (451)	2,928,486 957,902 68,375	573,184 305,823 (6,901)	2,125,128 1,241,439 (23,272)	570,971 295,601 (2,861)	4,864,799 850,814 (27,923)	417,618 468,106	939,113 765,088 (5,165)
184 Insurance Provider Assessment Withhold (IPA) 185 Insurance Provider Assessment Withhold (IPA) 185 Insurance Provider Insurance Insur	233,462	233,462		. 1		• •				• • •	7 7
186 Total Healthcare Cost 187 Medical Loss Ratio (HCC % of Revenue)	19,637,359	7	18,118,347	802,022 102.7%	3,954,763	872,106 89.5%	3,343,295	863,711	5,697,690 131.0%	885,724 66.7%	1,699,036 96.0%
188 189 Managed Care Administration 190 Admin Cost Ratio (MCA % of Total Cost)	1,820,812 8.5%	515,004	1,305,808	67,384 7.8%	229,810 5.5%	79,692 8.4%	211,931	68,071	470,299	59,135 6.3%	119,487
191 192 Contract Cost	21,458,171	2,034,017	19,424,155	869,405	4,184,573	951,797	3,555,226	931,782	6,167,989	944,859	1,818,523
193 Net before Settlement	(1,203,041)	1,108,651	(2,311,691)	(88,312)	(615,073)	21,891	(244,051)	97,993	(1,818,732)	384,022	(49,430)
194 195 Prior Year Savings 196 Internal Service Fund Risk Reserve	7.477	(2.304,214)	2,311,691	88,312	615,073	(21,891)	244,051	(97,993)	1,818,732	(384,022)	49,430
CT 198 Net after Settlement	(1,195,564)	(1,195,564)	0	0	*	9	1	0		1	0

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Southwest Michigan Behavioral Health	oral Health	Mos in Period									
2 For the Fiscal YTD Period Ended 10/31/2019	6	**									
3 (For Internal Management Purposes Only)		ok						Woodlands	Kalamazoo		
4 INCOME STATEMENT	Total SWMBH	SWMBH Central	CMH Participants	Barry CMHA	Berrien CMHA	Pinea Behavioral	Summit Pointe	Behavioral	CCMHSAS	St Joseph CMHA	Van Buren MHA
Sonoral Find Services		76001	វ	5.5%	3.4%	4.8%	6.5%	7.1%	6.5%	4.9%	4,5%
202 Contract Revenue			933,811	60,184	160,394	57,250	164,128	57,354	306,551	49,547	78,403
203											•
204 External Provider Cost			366,496	24,584	4,362	818	35,164	45,300	239,873	14,208	2,186
205 Internal Program Cost			697,974	23,389	135,059	42,815	196,384	20,835	170,301	31,809	77,383
206 SSI Reimb, 1st/3rd Party Cost Offset			(14,292)		•	•	1	1	(14,292)	-	-
207 Total Healthcare Cost			1,050,178	47,973	139,421	43,633	231,548	66,135	395,882	46,017	79,569
208 Medical Loss Ratio (HCC % of Revenue)			112.5%	79.7%	86.9%	76.2%	141.1%	115.3%	129,1%	92.9%	101.5%
208				-					:	;	1
210 Managed Care Administration			86,359	4,414	9,011	4,523	16,383	5,660	36,647	3,465	6,256
211 Admin Cost Ratio (MCA % of Total Cost)			7.8%	8.4%	6.1%	9.4%	8.8%	%6.7	8.5%	7.0%	7.3%
212 213 Contract Cost			1,136,537	52,387	148,432	48,156	247,932	71,795	432,529	49,482	85,825
214 Net before Settlement			(202,726)	797,7	11,962	9,094	(83,804)	(14,441)	(125,978)	65	(7,422)
215			970 31	66		1	(7 086)	•	1	1	1 290
216 Other Redistributions of State GP			(19,893)	(7.503)	(3.942)	(8.448)	(222,1)	. 1	•	•	1
			(228 863)	726	8 020	646	(91.770)	(14,441)	(125.978)	65	(6,132)
218 Net affer Settlement			2000	ì	2000						
219										***************************************	

Behavioral Health & Developmental Disabilities Administration Bureau of Community Based Services

Prepaid Inpatient Health Plans

Southwest Michigan Behavioral Health



October 2019

Produced by: Program Development, Consultation & Contracts Division

Initiation and Engagement of Alcohol and Other Drug Abuse or Dependence Treatment (IET-AD and IET-CH)

Measure

Percentage of beneficiaries 13 and older with a New Episode of Alcohol or Other Drug Abuse or Dependence who: (1) Initiated Treatment within 14 days, and (2) Initiated Treatment and had two or more additional services within 34 days of the initial visit.

Standard

N/A – Informational Only for FY 20

Measurement Period

January 2019 - December 2019

Data Source

MDHHS Data Warehouse

Measurement Frequency

Annually

Summary:

Calendar Year (CY) 2018 is displayed below as baseline data. Due to small numbers of beneficiaries in the denominator for the child measure, data from both child and adult measures were combined.

Table 1 below represents the IET-14 measure (Initiation of AOD Treatment). Numerator, Denominator and Rate columns represent beneficiaries who initiated treatment through an inpatient AOD admission, outpatient visit, intensive outpatient encounter or partial hospitalization, telehealth or medication treatment within 14 days of the diagnosis service.

Table 2 below represents the IET-34 measure (Engagement of AOD Treatment). Numerator, Denominator and Rate columns represent beneficiaries who initiated treatment and who had two or more additional AOD services or medication treatment within 34 days of the diagnosis service.

The statewide Medicaid rates for IET-14 and IET-34 were 39.8 and 17.55 respectively. Rows showing rates by Gender and Race/Ethnicity are statewide. Your PIHP is shown in the last row of each table.

Table 1: CY 2018, IET-14 Child and Adult Combined Total

Medicaid Program	Numerator	Denominator	Rate
Michigan Medicaid Total	25,682	64,526	39.80
Females	11,109	28,854	38.50
Males	14,570	35,661	40.86
African American/Black	7,077	19,240	36.78
American Indian/ Alaska Native	389	1,064	36.56
Asian American	57	153	37.25
Hispanic	830	2,110	39.34
Native Hawaiian & Other Pacific Islander	13	29	44.83
Unknown	1,849	4,556	40.58
White	15,464	37,363	41.39
Southwest Michigan Behavioral Health	1,857	5,590	33.22

Table 2: CY 2018, IET-34 Child and Adult Combined Total

Medicaid Program	Numerator	Denominator	Rate
Michigan Medicaid Total	11,326	64,526	17.55
Females	4,888	28,854	16.94
Males	6,438	35,661	18.05
African American/Black	2,619	19,240	13.61
American Indian/ Alaska Native	192	1,064	18.05
Asian American	29	153	18.95
Hispanic	397	2,110	18.82
Native Hawaiian & Other Pacific Islander	7	29	24.14
Unknown	703	4,556	15.43
White	7,379	37,363	19.75
Southwest Michigan Behavioral Health	878	5,590	15.71

2019 Southwest Michigan Behavioral Health Successes and Accomplishments

Audit and Monitoring:

- Maintained (Full) National Committee for Quality Assurance (NCQA), Managed Behavioral Health Organization (MBHO) Accreditation for the SWMBH Medicare Business Line. SWMBH was the first PIHP in Michigan to achieve the level of (Full-3year) NCQA accreditation on March 2, 2018.
- Successful Financial Compliance Audit with no findings.
- Successful Completion of the 2019 Health Service Advisory Group (HSAG) Performance Measure Validation Audit; with 37 out of 37 total elements evaluated, receiving a designation score of "Met," "Reportable" or "Accepted," which represents 100% compliance.
- 100% Compliance on 2019 Aetna Annual Delegation Audit, which includes reviews of: Case Management, Customer Service, Grievance and Appeals and Utilization Management.
- 100% Compliance on 2019 Aetna (Medicare) Compliance Program Effectiveness Audit.
- 100% Compliance on 2019 Aetna Claims Audit.
- 100% Compliance on 2019 Meridian Health Plan Delegated Credentialing Audit.
- 100% of elements were met on 2019 Health Service Advisory (HSAG) Diabetes's Performance Improvement Project (PIP).
- Participated and achieved full compliance during the Meridian Center for Medicare/Medicaid Service.
 (CMS) Service Authorization Requests, Appeals and Grievances (SARAG) Delegation Audit.
- Participated and achieved full compliance during the Aetna CMS SARAG Delegation Audit.
- Achieved 100% compliance on MDHHS Substance Use Disorder (SUD) Administrative Audit.
- Achieved 100% compliance on MDHHS Habilitation Supports Waiver (HSW) site Audit.

Member Services and Utilization Management:

- Completed 1079 MI Health Link Level of Care Utilization System (LOCUS) Assessments.
- Completed 2103 MI Health Link Care Coordination Plans.
- Completed 34,571 total authorizations for service.
- Completed 16,211 Prospective Review SUD events (American Society of Addiction Medicine (ASAMs) are in a portion of these).
- Handled 17,571 incoming Substance Use Disorder (SUD) calls.
- Handled 4382 incoming Michigan Health Link (MHL) calls.
- Completed approximately 5,517 American Society of Addiction Medicine (ASAM) assessments for clients diagnosed with a Substance Use Disorder (SUD).
- 95.27% of qualifying consumers received a timely Supports Intensity Scale (SIS) assessment.
- 93.30% of qualifying consumers received a timely Level of Care Utilization System (LOCUS) assessment.
- 89.77% of qualifying consumers received a timely (ASAM) assessment.

- Established regional review of Utilization Management function including consistent Screening and Access protocols and a sub-workgroup that is establishing Level of Care guidelines to assure continuity of care across the region.
- All clinics passed inter-rater reliability testing.
- Implemented use of the inquiry system of logging incoming member focused calls.
- Significant updates to the Medicaid Customer Handbook such as the addition of fraud, waste and abuse. information and updates to the grievance and appeals template.
- SWMBH hosted State Substance Use Disorder Recipient Rights Advisor Training for the region.
- Maintained 7 SWMBH brochures.
- Published 3 Member newsletters.
- Participated in 20 Community and Advocacy Events region-wide Including:
 - o Borgess Health Fair
 - o Branch County Fair
 - Van Buren County Back to School Bonanza
 - o Walk a Mile Lansing
 - o KPH Summer Fest
 - o Project Connect and VA Stand Downs
 - North Burdick Street Party
- Implemented state mandated templates for denials, grievances and appeals as well as region-wide templates for denial of eligibility and authorized representative form.
- Assisted more than 400 Veterans in the community through the Veterans Navigator Grant.
- Made over 632 follow up calls to members discharged from Substance Use Disorder residential settings.
- Made over 240 follow up calls to members discharged from Inpatient Psychiatric settings.
- Completed 13 State Fair Hearings region wide.
- Completed 217 Grievances/Inquiries (SWMBH only).
- Completed 103 Local Level Appeals (SWMBH only).

Substance Use Disorder (SUD) Interventions:

- Increase in community education and overdose reversals associated with Narcan resulting in 116 overdose reversals (100 law enforcement and 25 community based).
- Trained 2,547 community members in overdose education and naloxone distribution (2112 kits distributed).
- Partnered with 62 law enforcement agencies and 25 fire department agencies distributing over 2,000 naloxone kits region wide.
- Continued Train-the-Trainer model for law enforcement and fire departments who carry naloxone
 provided by Southwest Michigan Behavioral Health (SWMBH)—87 law enforcement officers and 45 fire
 fighters are now trained as naloxone trainers.
- Completed year two of the State Targeted Response (STR) to the Opioid Crisis which resulted in:
 - Expanded and maintained the utilization of recovery coaches in emergency departments using Project ASSERT (Alcohol & Substance abuse Services, Education and Referral to Treatment).
 - Expanded the utilization of recovery coaches at medication assisted treatment agencies
 - Provide medication assisted treatment to uninsured and underinsured
 - Expanded Strengthening Families prevention programming
 - Trained 33 clinicians and implemented motivational interviewing with fidelity

- o Implemented medication assisted treatment at Pines Behavioral Health
- Expand naloxone distribution program
- Applied for and received \$670,000 in funding through the State Targeted Response (STR) to the Opioid Crisis – No Cost Extension grant. Programming and services funded under this grant include:
 - Maintained the utilization of recovery coaches in emergency departments using Project ASSERT (Alcohol & Substance abuse Services, Education and Referral to Treatment)
 - o Maintain the expansion of four recovery coaches at medication assisted treatment agencies
 - Provided medication assisted treatment to uninsured and underinsured
 - o Expanded Strengthening Families prevention programming to Kalamazoo and Branch counties
 - Continued medication assisted treatment at Pines Behavioral Health
 - o Expand and maintain naloxone distribution program
 - o Addition of two recovery coaches to assist customers after being discharged from residential services
 - Provide funding to Victory Clinical Services in Battle Creek, MI to assist them in opening a medication assisted treatment program
- Completed year one of the State Opioid Response (SOR) grant. Programming for this grant included:
 - Medication assisted treatment (methadone) in the Kalamazoo county jail
 - Expand youth and family prevention programming the evidence-based practices: Guiding Good Choices and Project Towards No Drug Abuse
 - Expansion of fire department participation in naloxone program and expand community-based program
 - Certification, facility improvement, and staffing support of recovery housing residences
 - o Implement SBIRT in two Federally Qualified Health Clinics by utilizing recovery coaches
 - o Support the implementation of a recovery center in Berrien County
 - Addition of a behavioral health navigator to help screen for substance use disorders at the Kalamazoo county jail
- Applied for and received \$323,000 in funding through the State Opioid Response (SOR) Supplemental grant. Programming and services funded under this grant include:
 - Expand youth and family prevention programming the evidence-based practices: Guiding Good Choices and Project Towards No Drug Abuse in Branch county
 - O Support staffing at recovery housing residences in Kalamazoo county
 - Addition of a recovery coach to implement Screening Brief Intervention and Referral to Treatment (SBIRT) in a Federally Qualified Health Clinic
- Began to train SUD provider network clinicians on the Global Assessment of Individual Needs (GAIN).
- Provided SUD treatment services to over 5,000 customers.
- Provided PA2 funding and oversight to 55 programs.
- Hired a Gambling Disorder Prevention specialist to implement scope of work for the Gambling Disorder Prevention grant.
- Funded the training an implementation of Screening, Brief Intervention, and Referral to Treatment (SBIRT) for a Federal Qualified Health Clinic in St. Joseph county.
- Continued to support recovery center in Calhoun county through allocation of Block Grant funding.
- Supported the opening of a recovery center in Berrien county through Block grant funding.
- Maintained the addition of an Addictionologist for consultation and integration of substance use. disorders and medical care.
- Collected over 12,000 pounds of unused and expired medication (goal was 6,300 lbs.).
- Implemented Liveprevention.org opioid education and overdose prevention campaign (grant funded campaign; focused on perception of risk for prescription medication, proper disposal, and household availability).

- Achieved a Synar compliance score of 93.1% (Synar is named after Mike Synar, who was the Congressman who sponsored the Bill).
- Met over 98% of prevention programming outcome measures (provisional data).

Quality Assurance and Key Performance Metrics:

- Development of (122) new reports/dashboard in our Tableau Visual Analytics software, which provides access to real time data/reports for internal and external stakeholders and partners.
- Updated all Information Technologies policies, to meet current accreditation standards, as well as State and Federal contractual obligations.
- Organized and Presented a Managed Information Business Intelligence (MIBI) training for the Region on use of available tools/reports, with 66 attendees from our CMHSP partners and SWMBH.
- Implementation of a Regional Report Users Workgroup to help SWMBH and CMHSP team members learn how to access and use available reports.
- Development of (4) New Educational Trainings for providers, internal and external staff available for access via the SWMBH portal on:
 - o Critical Incident Reporting
 - o Performance Indicator Reporting
 - o Jail Diversion Reporting
 - o SWMBH SharePoint and Tableau Navigation
- Represented the Region as representatives on the MDHHS sponsored Performance Indicator Workgroup and helped to reformulate the logic for (3) new Performance Indicators.
- Achieved 95% of possible Aetna Health Plan Performance Measure Quality Withhold measures to capture additional bonus payments.
- Met 100% of MI Health Link contractual obligations and access/call measures.
- Improved MI Health Link Level II Assessment follow-up rates: (follow-up with patients released from an inpatient facility with 15 days or less).
 - o 2016 98.83% 2017 99.73% 2018 99.75% 2019 99.83%
- (+6.81 combined) Overall improvement on 2018-2019 Customer Satisfaction Survey Scores over previous year's results:
 - o Mental Health Static Improvement Project (MHSIP) (adult survey) + 4.43%
 - Youth Satisfaction Survey (YSS) (youth survey) +2.38%
- (+0.09 point) Overall improvement in 2018-2019 Self Recovery (SUD) Survey Scores over previous year's results:
 - o 2014/2015 4.18 2016/2017 4.13 2018/2019 4.22
- (+5.71%) Improvement in 2018-2019 MI Health Link Member Satisfaction Scores over previous year's results:
 - o 2015/2016 82.46% 2016/2017 84.17% 2017/2018 80.07% 2018/2019 88.14%
- Improved analysis and reports developed in Tableau Data Analytics tool around Functional Assessment tools including: Level of Care Utilization System; Supports Intensity Scale, American Society of Addiction Medicine and Child and Adolescent Functional Assessments Scale.
- Implemented and trained the organization on a new automated report request process, utilizing the portal.

Information Technology:

- 2019 Service Use Evaluation Finance and IT Meeting:
 - Provided finance staff with a thorough understanding of the Data Exchange project (aka Managed Care Information Systems). Explained what files are being exchanged, how often, and in what formats.
 - Provided a thorough review of the critical role that encounters play; a data flow diagram
 depicting the role and responsibility of the CMHSP, SWMBH and DHHS; and demonstrated
 encounter reports that CMHSPs can use to manage and monitor their submission progress.
- Updated and Reimplemented Active Directory file system and SharePoint security groups, enhanced system security and ownership.
- Transitioned Managed Services, Data Center and Telecom system to Secant Technology, saving SWMBH approximately \$11,000 per month.
- Transitioned Verizon cellular service in-house saving SWMBH approximately \$770 per month on phones and mobile internet connection units.
- Updated organizational operating system to Office365.
- Transitioned to in-house security administration reducing turnaround time for employees who need to reset passwords and request access to system folders.
- Redesigned and enhanced security on FTP folder structure.
- Upgraded conference room Audio Visual equipment, improving connectivity and sound quality.
- Replaced 50 laptops reducing downtime and increasing efficiency.
- Transitioned to a help desk ticketing system, which allows IT team to handle issues more efficiently.
- Instituted asset tagging system to protect and maintain SWMBH assets.
- Updated all IT policies, to meet current standards and contractual obligations.
- Conducted Pen Testing (Security Requirement) on all systems to identify any gaps in security. No security gaps were identified and SWMBH achieved full compliance.
- Designed and developed a daily Data Exchange summary email that is sent to each CMH, that provides a list of files that have been processed and validated by our system.

Clinical Quality:

- Provided clinical training at 30 events, training 1317 attendees on the following topics: trauma, motivational interviewing, autism, person-centered planning, Level of Care Utilization System (LOCUS), Lesbian, Gay, Bisexual, Transgender, Questioning (LGBTQ), Substance Use Disorder (SUD) treatment and prevention, and more. Awarded 7400 Michigan Certification Board for Addiction Professionals (MCBAP) Continuing Education Units (CEUs) and 6716 social work CEUs to regional clinicians.
- Trained 25 CMH clinical supervisors to be LOCUS trainers. Sponsored two consultative workshops for LOCUS assessors and supervisors, led by MDHHS's LOCUS consultants. Developed regional policy for LOCUS fidelity.

- Updated SWMBH Levels of Care for adults with serious mental illness and youth with severe emotional disturbance.
 - Developed and instituted regional policy defining/demarcating mild-to-moderate from severe mental illness in adults utilizing LOCUS tool.
- Assisted CMHs with transitions of care, case consultation and follow up regarding challenging cases.
- Instituted statewide reciprocity process for inpatient psychiatric hospital provider reviews, to allow for reciprocity between regions and reduce administrative burden on hospitals and PIHPs.
- Received and implemented Mental Health Block Grant funds to provide transportation from local emergency departments to crisis residential homes, to allow for easier diversion from inpatient psychiatric hospitalization.
- Guided and assisted CMHs in implementing child intensive crisis stabilization programs in every county in the region. Received Mental Health Block Grant to provide child intensive crisis stabilization to children/families without Medicaid.
- Participated in MDHHS Overnight Health and Safety Workgroup.
- Received Mental Health Block Grant funds to allow individuals with Medicaid spenddowns to participate in Clubhouse programs when monthly spenddown not met.

Habilitation Support Waiver (HSW):

- SWMBH has filled 99.9% (690) of Habilitation Service Waiver (HSW) slots provided by the State from October 1, 2018 through September 30, 2019.
- Over the past three years SWMBH has had the best HSW slot utilization state wide.
- Due to our consistent high utilization rate of HSW slots, SWMBH was awarded 20 additional permanent slots starting October 1, 2019.
- Met goals of compliance of HSW recertification for ten consecutive quarters.
- Facilitated annual residential living arrangement project to revise supporting documentation and Behavioral Health Treatment Episode Data Set for 50 individuals to ensure proper payment rates.
- Successful implementation of new recertification process for consumers who are eligible for Habilitation Support Waiver Services.

Home and Community Based Services (HCBS) Rule:

- Partnered with local Community Mental Health Services Providers attending relevant meetings for the purposes of education and technical assistance for Home and Community Based Services.
- Participated in monthly state meetings and quarterly Implementation Advisory Group meetings to continue to influence Michigan's implementation of Home and Community Based Services transition plan.
- Approved 322 corrective action plans for HCBS compliance for those who receive Michigan's Medicaid Specialty Supports and Services Plan (aka - B3 services include: Skill building, Supported Employment and Community Living Supports).
- Approved 45 new provider sites through the provisional approval process.

Supports Intensity Scale (SIS) Assessments:

- Achieved the position of the best region in the state (two years in a row) when evaluating the frequency,
 a case manager is present at a SIS assessment: (90%) as recognized by the Michigan Quality Summary
 published by Macomb, Oakland Regional Center (MORC).
- Successful management of significant staff turnover, cultivated another quality lead for our region.
- Participated in the SIS steering committee and parity efforts in relation to the SIS.

Applied Behavior Analysis (ABA) – Autism Benefits/Services:

- Improved our monthly performance monitoring system which significantly decreased total number of out of compliance cases (for time to ABA treatment, Individual Plan of Service (IPOS) completion, and evaluation updates) across the region.
- Applied a regional rate structure for Applied Behavior Analysis to mirror the State Fee Schedule.
- Improved the percentage of parents and families receiving support and training for ABA interventions from 42% to 58%.
- Comprehensively assessed ABA utilization patterns across the region. Recommended process improvements for eligibility determinations for ABA services, and for alignment of severity of needs with intensity of ABA services.

Collaborations with Prepaid Inpatient Health Plans & External Stakeholders:

- SWMBH held a large legislative event on 10/19/18 at the WMU Fetzer Center. Education and public
 policy involvement resulting in greater awareness of legislators about the values and results of the
 Michigan public behavioral health system and the specific needs of our Region was achieved.
- SWMBH held the 2019 Regional Healthcare Policy Forum on 5/17/19 at the Van Buren Intermediate School District Conference Center. Elected and Appointed State and County Officials, Judges, Prosecutors, Law Enforcement, and Community Mental Health Service Providers attended. An awareness of the strengths of the public behavioral health system and the barriers to success were discussed with a panel which represented elected officials, Directors from all facets of the industry -- MDHHS, Kalamazoo Psychiatric Hospital, County Health Departments, and the Michigan National Alliance on Mental Illness (NAMI).
- SWMBH took lead on development and distribution of the 2018 and 2019 Performance Bonus Incentive Payment (PBIP) report and received full bonus potential (\$1.6 million) from MDHHS.
- SWMBH provided (for fees/revenue) professional staff support (Registered Nurses) for Integrated Care
 Team (ICT) function.
- SWMBH and CMHSP's collaborated with Advocacy Organization Representatives to expand and make more uniform Person-Centered Planning (PCP) process.
- Many collaborative trainings and educational events with the Veterans Affairs Community Action Team.
- Formed and facilitated All-Cause Recidivism (PCR) workgroup with 3 other PIHPs and 3 MHPs. This is a sub-workgroup of the PIHP/MHP Collaboration Workgroup and the intentions are to create a shared state-wide protocol and process to provide greater impact on the quality metric.

Population Health/Integrated Care:

- Coordinated and facilitated ongoing SWMBH Integrated Care Team monthly meetings with each of the seven Medicaid Health Plans in the region with goals to reduce ED utilization and inpatient admissions For individuals opened to Integrated Care Teams between September 1, 2018 and August 31, 2019, there was an 86.5% reduction in ER claims and a 77.6% reduction in inpatient days, for the six months prior to ICT involvement versus six months post ICT involvement.
- Contracted with physician consultant to develop SWMBH Integrated Care Strategic Plan.
- Developed application and was awarded a Michigan Health Endowment Fund grant with Kalamazoo Community Mental Health and Substance Abuse Services and Family Health Center, to provide care coordination for unenrolled adults 55+ in Kalamazoo County. Partnered with community agencies to establish workflow after being awarded grant money.
- Formed and facilitated All-Cause Recidivism (PCR) workgroup with 3 other PIHPs and 3 MHPs. This is a sub-workgroup of the PIHP/MHP Collaboration Workgroup and the intentions are to create a shared state-wide protocol and process to provide greater impact on the quality metric.
- Completed baseline Health Services Advisory Group (HSAG) Performance Improvement Project (PIP) submission for diabetes National Counsel of Quality Assurance (NCQA) measure (SSD) and established procedure for monthly monitoring.
- Reviewed 6 PDN assessments for CMHs. Completed nursing clinical review to ensure medical necessity is documented and supported for care.
- Participated weekly with 4 Providers and 1 Medicaid Health Plan (MHP) in joint coordination for smooth transitions of care and improvement in care coordination.
- Participated monthly in joint coordination with a hospital system to impact high emergency department utilizers by communicating, providing services, and improving appropriate utilization.

Michigan Health Link and Integrated Care Programs:

- Participated in 75 Integrated Care Team meetings with MHPs to coordinate care, follow up on care post-hospitalization, and work toward providing resources and support to encourage appropriate utilization of health services.
- Implemented and coordinated quarterly operations meetings with Aetna Integrated Care Organization (ICO).
- Developed and implemented a complete workflow process for Michigan Health Link complex case management to include protocols for outreach, active members, closure from the program, and follow up surveys. In total, we outreached 103 members. 11 members were enrolled and disenrolled (due to completion of the program or member choice). 12 members are currently active in Complex Case Management (CCM). 14 members were contacted and refused CCM support. 66 members were outreach according to protocol and were unable to be reached.
- Implemented process for ensuring support and resources during care transitions. This covers up to and
 including follow up after hospitalization and/or up to 30 days following an inpatient admission.
 Coordination includes conversation about appropriateness of follow up and outreach with member and
 the provider to assess if follow up occurred.
- Provided continuous collaborative oversight and clinical reviews for CMHs and providers to ensure quality care and reduce IP admissions and improve preventative service delivery.
- Actively participated in both Aetna and Meridians Customer Advisory Committees, quarterly.

Operations:

- Eliminated all paper claims submissions from network providers as of 10/1/18 with implementation of Claims clearinghouse.
- Implemented new Policy & Procedure document control process.
- Completed a managed care functional review of Provider Network to increase efficiencies and reduce cost to be implemented in FY2.
- Revised SWMBH Employee Manual.
- Conducted three Cultural Insights Pulse surveys and ongoing work aimed at improving retention and employee engagement with an increase in score of 12% employee satisfaction over past 15 months.
- Processed 13,898 Michigan Health Link mental health claims. 12% decrease from 2018.
- Processed 470,057 SUD claims from all funding sources. 11% increase from 2018.

Executive Officer Memberships, Engagements and Accomplishments

- 2019 is on course to erase a projected 13 million deficit, to a positive position by the end of the year
- Executive Officer served as member of the Behavioral Health Workforce Research Center (BHWRC) Consortium during 2018/2019.
- Achieved \$144,871 savings in Administrative contact cost.
- Saved \$33,000 in Financial Contract cost, by current Finance team members learning the process
- Executive Officer serves as Board Member on the Great Lakes Chapter of the American College of Healthcare Executives (GLACHE).
- Executive Officer serves as Board Member of the Michigan Consortium of Healthcare Excellence (MCHE)
- Executive Officer is a Member Behavioral Health Consortium at Lakeland Hospital.
- Executive Officer is a Voting Delegate/SWMBH representative for the Community Mental Health Association of Michigan (CMHAM).
- Executive Officer Planned, organized key attendees, identified agenda items and helped facilitate the 2019 Board Retreat on May 10, 2019 at the YMCA Sherman Lake Conference Center.
- Continued to develop Public Policy/Legislative Initiatives committee as a shared structure and process to improve SWMBH's & CMHSPs' interaction, relations with, and value to state and federal elected officials and their senior staff.
- Assembled and empowered the Revenue Diversification Task Force.
- Developed, organized and held a Regional Healthcare Legislative Event at Van Buren Intermediate School District Conference Center on May 17, 2019.
- Utilized membership in Michigan Consortium for Healthcare Excellence (MCHE) for group purchasing savings of State-wide Group Site Portal, Project Consultation Services, and Utilization Management Solution.
- Applied for and received \$500K for a two-year grant from the Michigan Health Endowment Fund for the
 initiative to improve Medicaid eligible Kalamazoo county older adults' functional ability, health status and
 quality of life by aligning Prepaid Inpatient Health Plan, Community Mental Health Services Program and
 the Family Health Center (FHC), (a Federally Qualified Health Center), into Pilot Participant assessment,
 care planning, healthcare information exchange, healthcare data analytics, personalized interventions,
 and objective evaluation.

- Conducted quarterly Strategic Initiatives workshops with Senior Leaders, restructuring SWMBH goals to specifically address Ends Metrics and the coordination and partnerships with relevant departments instead of identifying individual department goals.
- Please see the below list of 2019 Political and Legislative Events/Meetings SWMBH participated in.

2	Date	outhwest Michigan Behavioral Health (SWM Event Name	Attendees
	10/1/2018	Health Management Association	Brad Casemore
	10/5/2018	Public Policy Committee	SWMBH Committee
	10/12/2018	Capitoline Call-Federal Public Policy	Brad Casemore, Brian Thiel
7	10/15/2018	Crain's Healthcare Leaders	Brad Casemore
	10/19/2018	Improving Behavioral Health Services	Rep. Upton, Sen. O'Brien, Rep/Dr. Bizon, Brad Casemore
9	10/25/2018	Rep LaSata Opioid Forum	Rep LaSata, Brad Casemore
0	10/29/2019	Public Policy-Legislative Event	Region 4 Service Providers, Elected and Appointed Officials
1	11/14/2018	Autism/Applied BH Analysis Serv. Rates	Senator Nofs correspondence
12	11/14/2018	Autism/Applied BH Analysis Serv. Rates	Rep. Bizon correspondence
13	11/16/2018	SWMI Legislative Breakfast	Senator O'Brien, Jon Hoadley ABA reduced fee basis
4	11/29/2018	ASD ABA Rate Caps	Lisa Grost meeting
5	11/30/2018	Public Policy Committee Meeting	Ric Compton, Deb Panozzo, Paul Schincariol, Scott Schrum
	12/13/2018	Community Mental Health Association of Michigan	Participant in the Workgroup
16		Funding Advocacy Workgroup	
	1/24/2019	Meeting with MDHHS	Robert Gordon
_	1/26/2019	Coffee Conversation	Jim Haadsma
9	2/15/2019	SW Michigan Legislative Breakfast	Sponsored at ROI. Legislative Representatives, Providers, Public
	2/18/2019	Healthcare Organization's Role in Formulating Public	Great Lakes Chapter American College of Healthcare Executives
20		Policy Seminar – GLACHE	a la culta culta a culta de la contra della contra della contra de la contra de la contra de la contra della
21	2/22/2019	Presentation of SOM rule-making/HFA Analysis	Presented to DHHS BHDDA at PIHP contract negotiations meeting
	2/22/2019	Presentation of SOM rule-making/HFA Analysis	Presented to CMHAM Leadership for analysis and summary of implications
2			and ramifications
3	2/22/2019	Meeting with Linda Zeller - MHEF	Meeting to discuss MHEF Grants and State Policy view of the future
	3/15/2019	Hartford Applied Behavior Analysis Center Open	Rep. Beth Griffin, Representative from Senator Nesbitt's Office, Public - Rhe
4		House	Freitag represented SWMBH
25	3/16/2019	National Alliance for Mental Health of MI Honors	NAMI members, Providers, Behavioral Health Field Representatives
	3/25/2019	National Council Conference 19-meeting	Chuck Ingoglia, CEO-National Council for Behavioral Health
		PIHP CEO Review of Part D Medicare Plan	PIHP CEOs
	4/17/2019	MDHHS Meeting	Liz Hertel, Deputy Director
	4/26/2019	Lansing Visits Representatives: Leutheuser, Miller, Hoadley, Iden and Senators: Bizon, McCann, Nesbitt,	Office Visits and delivery of packets.
29	r (0 /2010	Shirkey MDHHS Meeting	Deputies Sarah Esty and Liz Hertel
	5/8/2019		Regional Board Planning Session
1	5/9/2019 5/17/2019	Phone Interview – Jay Rosen/HMA 2019 Regional Healthcare Policy Forum	Senators, Representatives, Judges, Law Enforcement Officials, City and Cou
	2/11/2019	2019 Regional Realthcare Policy Forum	Commissioners, School Superintendents and Principals, City and Village
			Managers, and Community Mental Health Service Providers
32			Ivaliageis, and community mental resistance in the
_	5/20/2019	Spring 2019 Forum	Industry representatives
	6/6/2019	PIHP CEO meeting with Advocacy Group Leaders	Compare Intel, shared positions, and public policy collective efforts
-	6/10/2019	Invitation to Dr. Patrice Harris, American Medical	Invitation to visit Region 4.
35	0/10/2015	Association President	3
	6/11/2019	Senate Appropriations Chair Jim Stamas	Senator Bizon, Public
6	0/11/2013	Mixer/Fundraiser	
0	7/9/2019	WWMT Channel 3 Mike Krafcik	Interviewed for article on Direct Care Wages and Impacts on Staging Quant
	77572015	WWW. Claimer 3 - Wine Kraten	and Quality. Also Recipient Rights Complaints/Types and Amounts
7			and Quantify the Marketine Britanian
7	7/29/2019	Public Policy Committee Meeting	Ric Compton, Deb Panozzo, Paul Schincariol, Scott Schrum, Alan Bolter
8	1723/2013	abile i dilay committee meeting	
0	8/7/2019	F2F Elizabeth Hertel, MDHHS-Sr. Deputy Director	LRE FY 19 Supplemental, 298 Pilots, MDOC SUD, Cass Woodlands, Unfunded
	0, 1,2015	i al altabelli liertely mothly sit behalf shaces	Mandates, 2019 rate setting issues, MHEF Grant, Mi Health Link, meetings
	ı	1	with Kate Massey/MCA Director

8/9/2019	Robert Gordon, MDHHS-Director	Proposed Medicaid Special Needs Plan Public-Private Partnership, Mechanics	
		of how to get there practically & Politically, and barriers/solutions	
10			
11			
2 8/26/2019	Kate Massey, MDHHS-Medicaid Director	Kate Massey request to meet	
3 8/28/2019	Meet and Greet/Rep. Amash Battle Creek	Calhoun County Constituents	
4 9/5/2019	Fundraiser	Sen. John Bizon Policy Issues Discussion	
9/6/2019	Luncheon	Dominick Pallone-MAHP CEO and Tiffany	
5		Stone-MAHP Medicaid Policy Director	
6 9/6/2019	Health Care & Mental Health Forum	Senator Stabenow - Stakeholders and Allies in Health Care	
7 9/14/2019	Dinner/Theater Event "Next to Normal"	Brad Casemore, Sen. Shirkey, Jon Houtz, Tom Schmelzer, Sue Germann	
9/24/2019	MDHHS Meeting	Sarah Esty-Sr, Deputy Director and Ashley Hill-Policy Analyst Policy regarding	
		system design, integrated care, SWMBH MHEF Grant, actuarial soundness, and	
8		emerging FY 20 budget and boilerplate	
9/26/2019	Legislator Meeting	Jeff Dickerson - Staff to Rep. Jim Haadsma/Calhoun-Battle Creek re-	
9		introduce our region and discuss relevant policy matters	
9/26/2019	Legislator Meeting	Rep. Julie Calley/Barry Re-introduce our region and discuss relevant policy	
0		matters	
9/26/2019	Legislator Meeting	Luke Arends - Staff to Rep. Matt Hall/Kalamazoo-Calhoun — Re-introduce our	
1		region and discuss relevant policy matters	



Principal Office: 5250 Lovers Lane, Suite 200, Portage, MI 49002

P: 800-676-0423 F: 269-883-6670

November 26, 2019

John P. Duvendeck, CPA, Director

Division of Program Development, Consultation & Contracts

Bureau of Community Based Services

Regarding Risk Management Strategy 8.6.3

Dear Mr. Duvendeck,

The following is the Risk Management Strategy for Southwest Michigan Behavioral Health (SWMBH). This letter provides the required information in accordance with the PIHP Contract Section 8.6.3 and its accompanying Technical Advisory. Per the Technical Advisory our submission is informational to MDHHS only as we will not utilize state General Funds to address Medicaid risk. Thus, no response from the MDHHS is expected or requested.

SWMBH maintains a Medicaid Internal Service Fund (ISF) Risk Reserve as its primary risk protection to assure that its risk commitment is met. This segregated risk reserve will be funded based on actuarially determined risk reserve valuations in accordance with Governmental Accounting Standards Board Statement #10 (GASB10) and the MDHHS/PIHP Contract. The preliminary balance in the SWMBH Medicaid ISF Risk Reserve as of September 30, 2019 \$8,316,429.

SWMBH plans to use Medicaid ISF to cover PIHP risk obligations if any, for fiscal year 2019 and fiscal year 2020 (PIHP risk corridor).



In further protection of the region SWMBH requires participating CMHSP's to submit monthly, 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 and IBNR estimates. SWMBH Board reviews monthly financial statements.

For fiscal year 2019 SWMBH projects \$245,550,893 in Medicaid/HMP Capitation payments, of that \$12,078,245 in identified Autism payments now included in the Capitation for the region. Projected expenses of \$246,328,529, of that figure \$18,690,418 in identified Autism expense which is \$6,509,319 million dollars over the provided autism identified funding, thus out of necessity used ISF to cover the remaining \$777,636 that was unfunded.

We are aware that the funding for Autism is now included in the capitation but felt it was important in telling our story the effect the overwhelmingly negative effect the underfunding of the Autism program has had on our region.

To cover the projected deficit fiscal year 2019 SWMBH will use the following funding:

Internal Service Fund (ISF): \$777,636 will be utilized to cover the projected deficit.

Regarding fiscal year 2020 we find it extremely difficult to project or effect capitation revenue due to multiple varying approaches of MDHHS and Milliman and the lack of clarity and prospective revealing of MDHHS and Milliman intentions and calculations to the field. Therefore, we have no plausible estimate for fiscal year 2020 yearend financial projection.

Regarding PIHP/Participant CMHSPs risk management relationships SWMBH is solely responsible for Medicaid supports and services and any cost overruns at individual CMHSP or in the aggregate.

If you have any questions or require additional information, please do not hesitate to contact me at (269) 488-6442.

Sincerely,

Tracy L. Dawson

Chief Financial Officer

C: Brad Casemore, CEO SWMBH



STATE OF MICHIGAN

GRETCHEN WHITMER
GOVERNOR

DEPARTMENT OF HEALTH AND HUMAN SERVICES LANSING

ROBERT GORDON

November 20, 2019

Mr. Bradley Casemore, CEO Southwest MI Behavioral Health – Region 4 5250 Lovers Lane Ste. 200 Portage, MI 49002

Dear Mr. Casemore:

Thank you for the cooperation extended to the Office of Recovery Oriented Systems of Care (OROSC) staff during the September 9, 2019 site visit at Southwest Michigan Behavioral Health.

PRESENT AT THE SITE VISIT

Southwest MI Behavioral Health:

Joel Smith, Substance Abuse Prevention and Treatment Director

Achilles Malta, Prevention Coordinator

Cathy Hart, State Opioid Response (SOR) Coordinator

Garyl Guidry, Senior Financial Analyst

Anastasia Miliadi

OROSC:

Logan O'Neil, Project Coordinator - SOR

David Havens, Project Technician - SOR Supplemental

Wayne State University:

Rachel Kollin, Project Manager - State Targeted Response

(STR)/SOR

Danielle Hicks, Project Manager - SOR

The purpose of the grant year one site visit was to verify that Southwest Michigan Behavioral Health's SOR grant activities and funds for opioid use disorder are in compliance with federal and state requirements to support prevention, treatment, and recovery activities.

After careful consideration and review of the requirements and documentation submitted, we have determined that Southwest Michigan Behavioral Health's activities are in compliance.

SOR REQUIREMENTS

Prepaid Inpatient Health Plans must utilize funds within programs for individuals with opioid use disorders (OUD) in order to fulfill federal and state funding requirements. SOR funds are distributed to increase the availability of prevention, treatment, and recovery services designed for individuals with an opioid OUD.

Mr. Bradley Casemore, CEO Page 2 November 20, 2019

The State Opioid Response grant requirements state that the following services must be included:

- 1. Support access to healthcare services, including services with healthcare providers to treat opioid use disorders.
- 2. Purchase naloxone for distribution in high need communities and train others on the use of naloxone.
- 3. Integrate health information technology programs to support identification of patents with an OUD and engage them in treatment.
- 4. Providers document and provide evidence-based programs for their services.

SITE VISIT FINDINGS

Currently, Southwest Michigan Behavioral Health has all the necessary tools in place to manage, maintain and report on the SOR activities and data from their provider network. Their providers will screen individuals to assess their needs and provide or make referrals for interventions as needed for individuals with an opioid use disorder.

We greatly appreciate Southwest Michigan Behavioral Health's preparation for the site visit and their commitment to provide our staff with the necessary documentation.

If you have any further questions, please contact Logan O'Neil, SOR Project Coordinator at 517-335-3453 or ONeilL@michigan.gov.

Sincerely,

Lany Roll Larry P. Scott, Director

Office of Recovery Oriented Systems of Care

LPS/lo

Enclosure (if applicable)

Joel Smith C:

Angie Smith- Butterwick

Logan O'Neil



2019 Board Member Roster

Barry County

- Robert Nelson
- Robert Becker (Alternate)

Berrien County

- Edward Meny Vice-Chair
- Nancy Johnson (Alternate)

Branch County

- Tom Schmelzer Chair
- Jon Houtz (Alternate)

Calhoun County

- Patrick Garrett
- Kathy-Sue Vette (Alternate)

Cass County

- Michael McShane
- Karen Lehman (Alternate)

Kalamazoo County

- Moses Walker
- Patricia Guenther (Alternate)

St. Joseph County

- Angie Price
- Cathi Abbs (Alternate)

Van Buren County

- Susan Barnes Secretary
- Angie Dickerson (Alternate)

Updated 11/13/19

		2	2019 SWMBH Board Member & Board Alternate Attendance	H Board IVI	ember & B	oard Alterr	nate Attend	lance				
Name:	January	February	March	April	May	June	July	August	September	October	November	December
Board Members:												
Robert Nelson (Barry)												
Edward Meny (Berrien)								To the second				
Tom Schmelzer (Branch)										ALL TO SERVICE AND ADDRESS OF THE PARTY OF T		
Patrick Garrett (Calhoun)												
Michael McShane (Cass)		では、日本の										
Moses Walker (Kalamazoo)												
Angie Price (St. Joe)												
Susan Barnes (Van Buren)												
Alternates:												
Robert Becker (Barry)												
Nancy Johnson (Berrien)		STATE OF STA										
Jon Houtz (Branch)												
Kathy-Sue Vette (Calhoun)		6 T-10 TO TO TO										
Karen Lehman (Cass)												
Patricia Guenther (Kalamazoo)												
Cathi Abbs (St. Joe)												
Angie Dickerson (Van Buren)												

as of 11/8/19

Timothy Carmichael (St. Joe) Mary (Mae) Myers (Cass) James Blocker (Calhoun) Anthony Heiser (St. Joe)

Green = present

Red = absent

Black = not a member

Gray = meeting cancelled

Good Morning Jonathan,

Attached is the Aetna Oversight Final Report (see PDF attachment) summarizing the results from the audit conducted on 11/28/2019

This audit report was presented to and approved by the committee (checked below) on 12/4/2019:

	National Vendor Delegation Oversight Committee
Х	National Medicaid Delegation Oversight Committee
	Aetna Pharmacy Management Quality Oversight Committee
	Delegate / Vendor Business Owner

The Committee recommends (checked below):

Х	Continued delegation
	Continued delegation with corrective actions and/or re-assessment
············	
	* Delegation will become effective once the agreement has been executed.

The audit results *are in compliance* with operational and/or performance standards. There are no corrective actions or other re-assessment requirements at this time.

The next Annual Audit will be scheduled during 3rd Quarter of 2020.

I would like to thank all involved for their preparation and participation prior to and during the audit. Please let me know if you have any questions.

Cindy Arzich

CC: Rachel Godwin



CLAIM and CALL DELEGATED AUDIT and OVERSIGHT **CLAIM AUDIT - FINAL REPORT**

Contract Name: Southwest Michigan Behavioral Health

Management Company: NA

Audit Date: 11/18/2019 - 11/22/2019

Report Date: 11/22/2019

On-Site: No

Lead Auditor: Cynthia Arzich

Phone Number: 904-272-0465

E-Mail: arzichcu@aetna.com

Department Manager: Nancy Price

OVERSIGHT DETAILS:

Audit Type: Annual

Universe Begin Date: 7/1/2019

Universe End Date: 9/30/2019

Contract Participants: Audit conduct as virtual desk review audit-Jonathan Gardner-Director of Quality

Assurance

CONTRACT/DELEGATION DETAILS:

Oversight Type: Standard Claim Delegation

Third Party Administrator: No

										And the second s
	Comr	nercial	Medicare	Medicaid /	Dual	lai,	Medicare	ASA	ACO	Aetna
	HMO	Non-HMO	Advantage	Advantage CHIP A	<i>ledice</i>	Medicaid	are Medicaid Supplement			International
Products Audited:					×					

SW PIHP Site/Short Name:

Audit Date: Sched (D#:

11/18/2019 9764

Report: Assessment_2017

Claim and Call Delegated Audit and Oversight

Page 1 of 10

CONTRACT / DELEGATION OVERSIGHT:

Contract / Delegation Agreement Oversight Description / Requirements:

MDHHS and Aetna/Coventry as the ICO, SWMBH is sub-contracted by Aetna/Coventry to serve as the benefits manager for the behavioral health specialty populations of mental health, intellectual and developmental disabilities and substance use services for those MI Health Link (duals demonstration) enrollees within their region. SMWBH has a shared risk contract with Aetna/Coventry and they perform all SMWBH is part of the Medicare/Medicaid duals demonstration project in the State of Michigan in a three way contract between CMS, managed care functions for this population of the demonstration.

SECTION I - CLAIM DEPARTMENT STAFFING / STRUCTURE AND LOCATION(S):

Membership:

Current Aetna membership is 4262.

Staffing / Structure:

Organization / Department structure, Staffing Ratio and Experience

CMS (Medicare and Medicaid) OIG/GSA Compliant: Yes

An organization chart was provided and there are no concerns at this time with the staffing.

OIG checks are conducted at the time of hire and then monthly thereafter. There are no work at home employee's and all of the employee's Separation of duties is in place. Permissions within the system are not allowed to have a conflict of interest role, i.e. those who authorize services cannot approve a claim or cut a check. Those who can approve a claim or cut a check cannot enter authorization or a contract. at SWMBH resided within the United States.

Staffing #'s:

Supervisors/Managers -ന] Auditors ---| Claim Processors - \circ Data Entry -O Mail Clerks -

--|

Claim Volume:

Average receipts per month, average number of claims processed per month, current % of claims received electronically, and current auto-adjudication rate,

Average number of claims received and processed monthly for Aetna Members was 242.

The Auto Adjudication is currently at 100% and 98% of the claims submitted from Providers are received electronically.

Training Program - Production and Quality Standards:

At the time of hire the employee attends an orientation. They then are provided with a staff training manual, formal screening tools, medical necessity training and compliance with phone standards, compliance/HIPPA policy along with Medicare and Medicaid covered behavioral health and ASUD services training. The initial training is conducted one on one and is completed in approx. 4 weeks. A copy of SWMBH's training curriculum was provided and there are no issues with the training program.

Confidentiality Statements and HIPAA Compliance:

Confidentiality Statement Verification: Yes

Confidentiality and HIPPA Compliance forms are obtained at the initial time of hire and then repeated on a yearly basis. The forms are then retained in the employee's personnel file.

Fraud and Abuse Training:

Compliance with Aetna Fraud and Abuse or Entities Approved Fraud and Abuse and/or CMS FWA. Medicaid FWA, including Sub-Delegates.

Current Fraud, Waste and Abuse Sign-In Sheet and/or Attestation Received: No

SWMBH completes the Fraud Waste and Abuse training off the CMS Website.

Audit Program - Production and Quality Standards:

focus on the risk areas known to affect Southwest Michigan Behavioral Health, especially the data and information that affect payments by Health's programs and managed care functions including external relationships with third-party contractors. In particular, the audits will Audits are planned based on risks identified through organizational risk assessments and will focus on Southwest Michigan Behavioral The claims auditors are employed by SWMBH as part of the compliance department and report to the Chief Compliance Officer. Medicaid and Medicare as well as all other payer sources.

Compliance audit and monitoring efforts will also focus on any areas of specific concern identified within the environment and within the Office of Inspector General annual work plans.

nternal staff or external sources involved in any audits will:

Possess the qualifications and experience necessary to adequately identify potential issues with the subject matter to be reviewed;

Have access to existing audit resources, relevant personnel and all relevant areas of operation; Be independent of the specific functional area examined

Specifically identify areas where corrective actions are needed;

The Chief Compliance Officer will provide and present written evaluative reports on compliance activities to the Chief Executive Officer, Code of Conduct, and Board of Directors on a periodic basis but not less than annually.

Customer Service:

Forwarding Process for Appeals and Grievances.

Network Development will contact the provider with follow up within 30 days of the complaint. SWMBH has a two-level appeal process for Providers can file complaints with the Provider Network department at any time. If formal resolution is required, the Manager of Provider handling appeals of contractual actions, adverse credentialing decisions, terminations, and sanctions. Member appeals are referred back to the Health Plan for handling.

SECTION I - Compliance Level:

	Carre Compliance (4)	Fartial Compliance (3)	Winimal Compilance (2)	NonCompliant Results (1,
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Claim and Call Delegated Audit and Oversight

Page 3 of 10

Report: Assessment_2017

SECTION II - CLAIM PROCESSING:

Claim Inventory and Controls:

DROH, tracking, logging, and batching controls for all incoming claims, EDI and Hard Copy. Workflow charts for claims processing, including Pending, Priority Claim Handling, thru full, adjudication and payment..

whether the claim is institutional or professional in nature. Claim is then scanned and archived in private electronic folder. The paper claim SWPHIP has a limited number of paper claims and when a paper claim is received it is date stamped with the received date on the claim. The Claim is then entered into the Streamline Smartcare Claim System along with all required claims fields which vary dependent on is filed and retained within a locked file cabinet.

Electronic Claims:

provider has completed the entry process the claim receives the status "Entry Complete". This status signifies the claim is clean and ready to adjudicate from the provider's perspective. The claims processor sorts the claims list page by "Entry complete" filter a minimum of once Claims are entered into the Streamline Smartcare Claim System by providers either manually or through 837 upload process. Once the per week, but generally daily.

Once a claim has been entered a claim into the system either by scanned or electronic and is marked "Entry Complete" the claim is ready for adjudications.

All claims that are waiting to be processed are included on the claim examiner's dashboard. The claims examiners access the dashboard report on a daily basis and process any claims that are ready for adjudication.

Payment shall be made to all providers within 30 days of receipt of a clean claim within 30 days and at least 99% of all clean claims shall be Management has the capability of reviewing the dashboard on a daily basis to ensure claims are being processed in a timely manner. paid within 90 days.

corrected to reflect the date on which the information needed to make the claim "clean" is provided. Claims with a pending status 31 days Claims that pend during initial adjudication will be reviewed by claims adjudication staff. The "Clean Claim Date" in the MCIS will be post adjudication shall be denied as a matter of course if the claim cannot be approved due to missing information or authorization.

Sub Delegation / Outsourcing:

If applicable, what function(s) are outsourced or sub-delegated and who they are outsourced or sub-delegated too. Example, Mailroom functions, imaging, checkwriting, etc.....

Are any functions outsourced or sub-delegated?

2 If Yes, is the outsourcing or sub-delegation Offshore?

Offshore Attestation Received?

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Misdirected Claim Handling Process:

Mis-Directed claims are denied on the claim system.

Claim Acknowledgement Compliance:

All Provider Contracts are entered into SWMBH's Care Management System. The providers have access to the system to check on claim status, pended or denied claim reasons. In addition the provider can obtain a check number and the date of a check.

11/18/2019 SW PIHP Site/Short Name: Audit Date: Sched ID#:

Page 4 of 10

Claim and Call Delegated Audit and Oversight Report: Assessment_2017

Claim Payment Policies, Procedures and/or Process:

Claim payment procedures and/or practices to support accurate claim processing. Including tum around time, clean and unclean claim handling, check and mailing processes... CPT/HCPCS. annual updates and Healthcare Reform compliance...

CPT / HCPCS Annual Updates: Yes

HCR Compliance:

Once a claim has been entered into the system either by scanned or electronic methods and is marked "Entry Complete" the claim is ready

All claims that are waiting to be processed are included on the claim examiner's dashboard. The claims examiners access the dashboard report on a daily basis and process any claims that are ready for adjudication.

Management has the capability of reviewing the dashboard on a daily basis to ensure claims are being processed in a timely manner. Payment shall be made to all providers within 30 days of receipt of a clean claim within 30 days and at least 99% of all clean claims shall be

corrected to reflect the date on which the information needed to make the claim "clean" is provided. Claims with a pending status 31 days Claims that pend during initial adjudication will be reviewed by claims adjudication staff. The "Clean Claim Date" in the MCIS will be post adjudication shall be denied as a matter of course if the claim cannot be approved due to missing information or authorization.

number is inaccurate the starting check number can be changed, however a reason for the skipped check number must be entered into the system to account for any missing check numbers. Only those with permissions within the system to expressly cut checks are permitted to The system selects the starting check number for the batch run based upon ending check number of previous check run. If the check

Check runs are conducted on a weekly basis.

The CFO is authorized to sign checks up to \$20,000; anything above that amount must be authorized and signed by the CEO. Check stock is kept in a locked safe with only a key staff knowing the combination.

Bank reconciliations occur monthly.

Payment Methodology:

nclude Non-Contracted payment methodology for Commercial and/or CMS, and/or Re-Pricing, as applicable.

Payments are based on the Provider's contract or CMS rates which ever is greater.

WMBH will reimburse Non-Par providers according to the Non-Par fee schedule found in the annual CMS Medicare Physician Fee Schedule.

Providers who submit claims for MI Health Link enrollees will be given the option to become participating providers and to receive on-going

providers who do not wish to become participating providers will be advised to transition the member to another participating provider.

Coordination of Benefits / Subrogation / TPL / Overpayment / Off-set Process:

Include compliance with Regulatory requirements.

SWMBH provided their COB/TPL and Overpayment Policy and Procedures during the visit. There are no concerns or issues noted.

Medical Review Process / Request:

<u>Not to exceed 3% Professional Provider Medical Records and 20% ER services over a 12 month period</u>

All services must be prior authorized for medical necessity and system edits will not allow for payment of a claim that has not been authorized by the UM department,

The system searches for authorization for each claim line based upon date of service, billing code and existence of a contract. Authorizations can be made as specific as a specified rate, for a specified consumer at a specific site.

Providers have a right to appeal of a denial for medical necessity reasons retrospectively and at that time a Medical Review may be conducted

Claim Denial Policies, Procedures and/or Process:

Product specific denial letter language and denial codes/reasons. Include identification and handling of ERISA Member Claims, and other applicable regulatory requirements.

All providers have log-in access to the managed care information system which allows them to view any denied claim at any time. The denied claim shows the reason why the claim was denied.

Providers have the opportunity to correct claims within the system or to request missing authorizations and to set the claim back to be readjudicated. Providers can also download their own remittance advices for their use.

Explanation of Benefits (EOB) and Explanation of Payment (EOP) Compliance:

Adjustment codes. field requirements and compliance with Member and/or Provider Appeal language and Healthcare Reform regulatory requirements.

SWMBH currently sends Remittance Advice (RA) to the Provider and they are do not send any EOB's or IDN's to Medicare Members.

Regulatory Compliance:

Compliance with applicable state and/or federal regulatory requirements.

78

Provider Term - Member Letter Compliance: NA

State Regulatory Compliance:

Yes Yes Medicare Regulatory Compliance: Medicaid Regulatory Compliance:

SWMBH follows all compliance with state and federal requirements.

in addition SWMBH's Compliance department monitors multiple sites including HCCA, OIG etc....for changes or additions to regulatory If Late Claim Interest AKA LCI due on a claim it is calculated manually and a separate check would be issued. However, SWMBH has requirements. Policies are amended as necessary and reviewed at least annually. Staff are notified of any additions or changes to regulatory policies and compliance trainings are held during staff meetings at least annually or more frequently if necessary never had to pay any LCI payment. Claim and Call Delegated Audit and Oversight

Report: Assessment_2017

Provider Dispute Resolution Process:

Compliance with CA Commercial and/or CMS PDR process requirements.

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SECTION II - Compliance Level:

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NonCompliant Results (1) Minimal Compliance (2) Partial Compliance (3) Significant Compliance (4) Full Compliance (5) Claim and Call Delegated Audit and Oversight Report: Assessment_2017

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SW PIHP 11/18/2019 9764

Site/Short Name:

Audit Date: Sched ID#:

SECTION III - SYSTEMS / REPORTING CAPABILITIES / BUSINESS CONTINGENCY

System Capabilities:

ICD-10 Compliance:

SWMBH uses Streamline Smartcare 4.0.

834 eligibility is loaded into system on a daily basis from the eligibility files received from the State of Michigan.

The claim system is compliant with ICD-10.

System Security:

All SWMBH employee's are required to sign onto the claim systems utilizing a password.

Access to the system is Role-based.

It should be noted that claims examiner can deleted claims, however, there is a audit trail recorded in the Care Management software.

Reporting Capabilities:

Monthly reporting submitted in compliance with contractual/delegation agreement: Yes

SWMBH's claim system has many reporting capabilities including but not limited to, number of claims received, number of claims processed, turn around times, etc.

SWMBH is currently submitting Self Reporting to their Aetna Network Account Manager.

Claim History Retention:

80

SWMBH stores claims and documentation for a 10 year period

Disaster Recovery:

Kes Disaster Recovery Policy and Procedure:

SECTION III - Compliance Level:

The state of the s	3	
	Minimal Compliance (2)	The street was a second of the
	Partial Compliance (3)	
and the second s	Sign	
The second secon	Full Compliance (5)	
	×	١

Sched ID#:

SECTION IV - SUMMARY CLAIM AUDIT RESULTS:

If multiple states/products audited, state/product specific detail available upon request.

		Medicare A	Medicare Advantage // Standard Delegation - Claim Audit Results	gation	ı - Clain	1 Audit	Result	.		
		OVERALERESULTS	ULTS.	30	30	100%	30	100%	30	100%
Product Line	Product Description	Deal	Universe / Unit	Total Claims Audited	Tum-Arou Time Complian	Tum-Around Time Compliance	Payment / Denial Accuracy	/ Denial racy	Coding	Coding
A. 18. 11.					- T. # 12	%		% , ;; #	#	%
Medicare	MMP	BH CIm	Member Denials	N.	N. R.	A.	A.	A.	A.A.	A.
Medicare	MMP	BH Clm	Paid Claims - Contracted	30	30	100%	30	100%	30	100%
Medicare	MMP	BH CIM	Paid Claims - Non-Contracted	R.	R.	Ä	A.	N.	S. S.	A.
Medicare	MMP	BH CIm	Provider Denials	N.	R.	N.	A.N.	N. R.	Ä.	R.
Medicare	MMP	BH Clm	Provider Disputes	NR.	NR	æ	æ	AR.	NR.	¥
			The second secon							

SECTION IV - SUMMARY CLAIM AUDIT DETAILS;

Paid Claim Accuracy:

A total of 30 Paid Contract Claims were reviewed and SWMBH scored 100% on both payment and coding accuracy.

Denial Appropriateness:

There were no Provider or Member Denials for the Universe Period that was audited.

Turn Around Time "TAT" Compliance:

The turn around time was 100% for all claims reviewed in this audit.

Provider Dispute Resolution:

CA Commercial HMO and/or CMS Provider Dispute results

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SECTION IV - PERFORMANCE COMPLIANCE:

The state of the s	×	Pass	Fail	NA
		2000		

SW PIHP	11/18/2019	9764
Site/Short Name:	Audit Date:	Sched ID#:

SECTION V - OPERATIONAL and PERFORMANCE COMPLIANCE SUMMARY:

Operational Compliance By Section:	Compliance Level	Compliance Compliance Level Score
Section I - Claim Department Management:	Full	5
Section II - Claim Processing:	Full	5
Section III - Claim System Capabilities:	Full	2
Overall Operational Compliance:		15
Performance Compliance - Section IV:	Ä	Pass

								
Legend:	Operational Compliance	Full Compliance - Score 15	Significant Compliance - Score 11 - 14	Partial Compliance - Score 8 - 10	Minimal Compliance - Score 5 - 7	Non Compliance - Score Under 5	Performance Compliance	PASS / FAIL - Benchmark = 95%

SECTION VI - RECOMMENDATIONS / AUDIT NEXT STEPS / CORRECTIVE ACTION PLANS:

SECTION VII - PERFORMANCE RE-AUDIT REQUIREMENTS:

Produci	f Agreem	Agreement Impacted:Agreement				Contract #:
NA	All Agre	All Agreements included in this report.	s report.			All
Code:	RA.00	Product Impact:	ΑΝ	Timeframe:	Next A	Vext Annual
Re-Audit Description:	otion:		Auditor Deta	Auditor Details / Comments:		
Re-Audit/Re-Assessr	Assessment No	ment Not Required				

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SECTION VIII - AUDITOR COMMENTS:

All of the claim documentation for the claim samples selected were sent to our FTP Website. A annual desk review audit was conducted on 11/18/19.

There was a staff member from SWMBH available at all times to answer any questions that might arise for this audit. There are were no issues or concerns noted during this review.

Next Annual Audit will be conducted sometime in the 3rd quarter of 2020.

Community Mental Health Association of Michigan
MI Health Link: Review of evaluation findings
by RTI International and Alan Newman Research
November 2019

Background and summary

Recently the Michigan Department of Health and Human Services (MDHHS) issued two reports evaluating the state's MI Health Link program. These reports were developed by RTI International and Alan Newman Research.

While the MI Health Link evaluations showed positive results in a number of areas, the evaluation findings provide valuable insights into the improvements needed in the current pilots as well as changes that should be incorporated into any future efforts involving persons dually enrolled in Medicaid and Medicare.

Below is the analysis of those evaluations, by the Community Mental Health Association of Michigan (CMHA), underscoring the accurate reading of the utilization and beneficiary experience results, the factors/design elements that led to the positive results, as well as a number of fundamental concerns in the pilot's design and implementation.

We recommend that these insights inform any future system design effort by MDHHS.

Benefits of clinical coordination

Several benefits to clinical coordination – where the client/patient is served resulted in pilot communities:

- Health care information exchange, between behavioral healthcare clinicians/providers/PIHPs/CMHs and physical healthcare providers/ICOs improved as a result of the closer working relationship between the public mental health system and the ICOs and their provider network.
- o When the PIHPs, CMHs, and the providers in the PIHP and CMH network were invited into the Integrated Care Teams (ICT), the behavioral health care providers were able to receive more accurate and complete physical health information and the care, across physical and mental health care and across Medicare and Medicaid, is improved.

Appropriate reading of the service utilization findings

The positive utilization results seen in the pilots include the following:

- o 13.9 percent reduction in the probability of inpatient admission
- o 17.8 percent reduction in monthly preventable emergency room visits
- o 12.8 percent reduction in the probability of overall ambulatory care sensitive condition admission
- o 13.8 percent reduction in the probability of chronic ambulatory care sensitive condition admission.

These results are encouraging and point to one of the advantages of moving a formerly fee-for-service non-managed system to a managed care system

While it is key to recognize and applaud the successes of the pilot – when seen as the result of the causative variables and in light of the high levels of program departure by beneficiaries, as noted above – the flaws that were found through the RTI analysis should give Michigan policy makers pause and quidance as they plan future system design efforts.

Resistance to core person centered planning concepts and practices: The ICOs were resistant to engage in person centered planning, citing: the time required for person centered planning, the cost of retooling their clinical and payment systems to support person centered planning, the difficulty in providing person centered planning via face-to-face contact with beneficiaries, the difficulty in traveling to the homes or beneficiaries as part of the person centered planning process. Reviews of the person centered plans conducted by the ICOs indicated that a medical model was used as the basis for the plans rather than one that centered around beneficiary goals and preferences. The inability of the ICOs to embrace the fundamentals of person centered planning, as demonstrated by the resistance to employing these core constructs of person centered planning, is one of the core concerns expressed by beneficiaries and advocates during the initial planning phases of the pilot.

HCBS waiver slot application delayed and incomplete: RTI found that a significant number of HCBS waiver applications, developed by the ICOs and their network, were submitted late, were inaccurate, contained services that did not match the beneficiaries needs; and contained not HCBS services. More than half of the HCBS applications submitted by ICOs were returned to the ICOs by MDHHS as a result of being incomplete.

Lack of standardization, within each community, across ICO practices: The differing healthcare information portals, encounter reporting formats, and practices of the ICOs and between Medicaid and Medicare caused unnecessary costs and delays for HCBS waiver providers and the PIHPs, CMHs, and the providers in the PIHP and CMH systems. As might be expected, providers in demonstration communities with fewer ICOs reported fewer problems than those with a greater number of ICOs.

Weakening of community-based HCBS provider network: ICOs showed signs of moving to larger vendors to provide HCBS services and away from smaller "mom-and-pop" HCBS providers, thus weakening the network of community-based well-experienced and proven smaller HCBS providers.

Mixed experiences in timeliness of payments to PIHPs and providers: Providers and PIHPs reported mixed experiences in the timeliness of payments, by the ICOs, to the PIHPs and the HCBS provider network. While some found the payments to be provided on a timely basis some found them to be often late, and difficult to reconcile, with extended periods of delayed payment.

High turnover and large caseloads for care managers: Very high turnover rates (averaging 20%; as high as 30%) and large caseloads (from 170 to 205 beneficiaries per FTE) were reported for the ICO's care coordinators.



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www.swmbh.org

November 11, 2019

St. Joseph CMHSAS 677 E. Main St. Centreville, MI 49032

Dear Kathy Pangle,

This letter serves to express SWMBH's concern that we have not had representation from SJCMHSAS at four consecutive SWMBH Board meetings. Our Board and region expect and value Regional Entity Participant CMHSP engagement and contributions at all levels of the regional organization. Please let me know if there is anything I can do to support and increase SJCMHSAS representation attendance at SWMBH Board meetings.

Respectfully,

Bradley P. Casemore, MHSA, LMSW, FACHE

Executive Officer P: (269) 488-6956 C: (269) 425-6767

Cc: Kris Kirsch, St. Joseph CMHSAS CEO, SWMBH Board of Directors

Branch • Calhoun • Gass •



The Detroit News

Opinion: Michigan's plan to improve behavioral health care

Robert Gordon Published 11:00 p.m. ET Dec. 3, 2019 | Updated 10:21 a.m. ET Dec. 4, 2019

Ensuring access to quality, affordable care is a unique challenge for individuals with behavioral health needs — those with serious mental illness, substance use disorders or developmental disabilities.

In nearly a year as director of Michigan's health department, I've heard diverse Michiganians tell similar stories of heartbreak. Detroiters and Yoopers alike face shortages of medication-assisted treatment for opioid use disorders, and of specialized care for schizophrenia. From Grand Rapids to the Thumb, families describe bureaucratic processes for getting and keeping essential care for loved ones with autism. Individuals in crisis sit in emergency rooms, often untreated, because they have nowhere else to go.

Michigan's system also has tremendous assets. Community-based organizations provide a safety net of crisis services for residents of every income in every county. Their leadership has enabled Michigan to keep more of our loved ones in our communities, not institutions. State law protects individuals in need.

Wednesday, I'll speak with the Legislature about a new approach to Michigan's behavioral health system. I'll draw on a simple belief — that every human being has dignity — which I learned from my dad, a psychiatrist who spent more than 50 years serving individuals who were homeless or leaving jail. I'll also draw on decades of unheralded, under-resourced effort by heroic providers across Michigan.

Our approach preserves the strengths of our system while also addressing its shortcomings. For too long we have treated people as though they were split in two. There's "physical health," handled by one set of providers and insurers, and then there's "behavioral health," handled by another. The two sides often can't coordinate or share information. Dealing with two of everything makes life more complicated for everyone.

It's a missed opportunity. Investing more in treating a person's depression, for example, can make them likelier to take their diabetes medicine, especially if the therapist and endocrinologist communicate. This can help people enjoy life more and go to the emergency room less. But this smart approach is hard when spending is with one insurer and savings are with another.

For the last few years, Michigan has sought to integrate care under the leadership of physical health insurers. It didn't work out. Yet, even amid deep disputes, physical and behavioral health organizations quietly launched joint efforts. We can build on their momentum.

Wednesday I will talk about three principles for change. First, we need to sustain and strengthen the public safety net that serves all Michiganians. Second, we need to promote integration — bringing together physical and behavioral care and payments.

Third, we should create new plans that specialize in treating individuals with significant behavioral health needs — so-called "specialty integrated plans" (SIPs). These plans bring together the management skills of traditional insurers with the expertise of behavioral health organizations. North Carolina, Arizona, and Arkansas all use SIPs. Our approach will offer individuals a choice of both providers and plans, including at least one plan sponsored by Michigan's own public behavioral health leaders.

These changes will mean more access to quality care, less red tape, and more investment in better results.

This is just the beginning of a conversation — one I hope many of you will join. We intend to fill in the details together — advocates and families, legislators and MDHHS staff, health plans and providers, Republicans and Democrats. Officials like me can easily fall into the trap of believing we have all the answers. We don't.

It'll be a journey, but we'll take it together. The people we serve will be our north star. They are the reason we keep pushing for better. And they are the reason we will succeed.

Robert Gordon is director of the Michigan Department of Health and Human Services.

Health System: A New Approach Michigan's Public Behavioral

December 4, 2019



Agenda

A. Where we are today

B. Section 298 pilots

C. Principles

D. Policy

E. Next steps



How our system works today

Individuals with mild-to-moderate or no behavioral health needs



Individuals with significant behavioral health needs

Individuals with a serious mental illness



Individuals with substance use disorder

> Children with severe emotional disturbance

Individuals with intellectual or developmental disabilities



Section 298 pilots

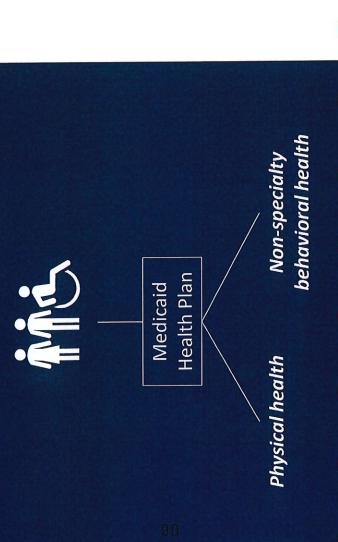
Princ

New approach

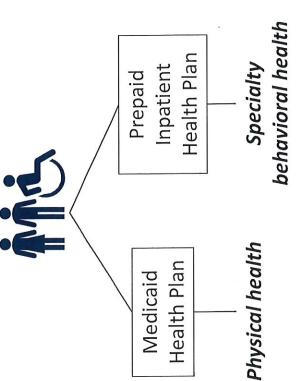
Next steps

How our system works today

Mild-to-moderate behavioral health needs



Significant behavioral health needs



Crisis safety net and community benefit services



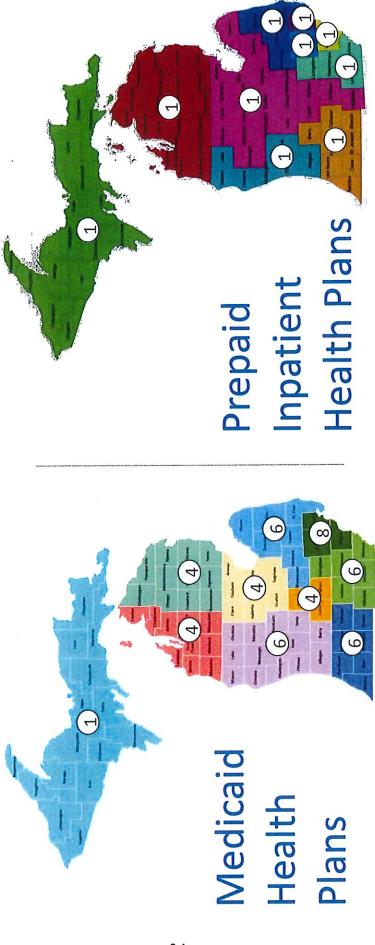
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Section 298 pilots

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New approach

How our system works today



(X) Number of plans available in region

New approach

Section 298 pilots



How our system works today: the safety net

Provided by our Community Mental Health Services Programs



Coordination with schools, police, corrections

24/7 hotlines



Community training

Jail diversion

Available to any resident, regardless of insurance



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Next ste

Strengths of the public system

with strong community Locally based system operates statewide partnerships that



with schools, jails, prisons, and Invests in coordination efforts local social services

Serves all residents in crisis, not just those with Medicaid

Longtime national leader

93

in de-institutionalization

Leader in codifying personcentered planning and

supporting self-determination

Medicaid benefit Comprehensive



Challenges for people

Wait to access CMH services

2 care managers

94



No alternatives

Separate care teams

Struggle with transportation

Caught between 2 systems

Missing out on programs that could help



Section 298 pilots

to keep him healthy

Next steps

New approach

Principles

Challenges for the system



Too few quality choices



Difficulty with coordination & navigation



Misaligned incentives & financial instability



Section 298 pilots

Section 298 pilots did not launch...

Financial integration through the Medicaid Health Plans

Intensive 2+ year effort

96

Parties were unable to agree on a model design

DHHS cancelled in October 2019

- ✓ Care integration
- ✓ Financial integration

97

- ✓ New forms of partnerships
- ✓ Stronger DHHS vision



We have learned from other integration efforts

- Behavioral Health and Opioid Health Homes
- Certified Community Behavioral Health Clinics (CCBHCs)
- MI Health Link

98

- PIHP/MHP care coordination plans, workgroup meetings, shared metrics
- Locally driven collaboration and integration activities





Self-determined

Community-based

Recovery-oriented

Evidence-based

Culturally competent



Next steps

New approach

Section 298 pilots

Goals

Broaden access to quality care

Improve coordination & cut red tape

Increase behavioral health investment and financial stability

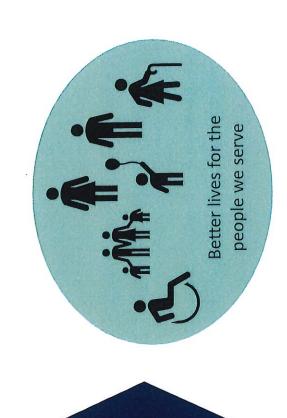
MEDHHS

Section 298 pilots

New approach

Next stens

- Public safety net
- 2 Integrated system of care
- **Specialty Integrated Plans**





Section 298 pilots

Secure our safety net through the CMHs











103

Flexibility above floor

Separate budgeting for non-Medicaid services

Uniform floor of statewide responsibilities



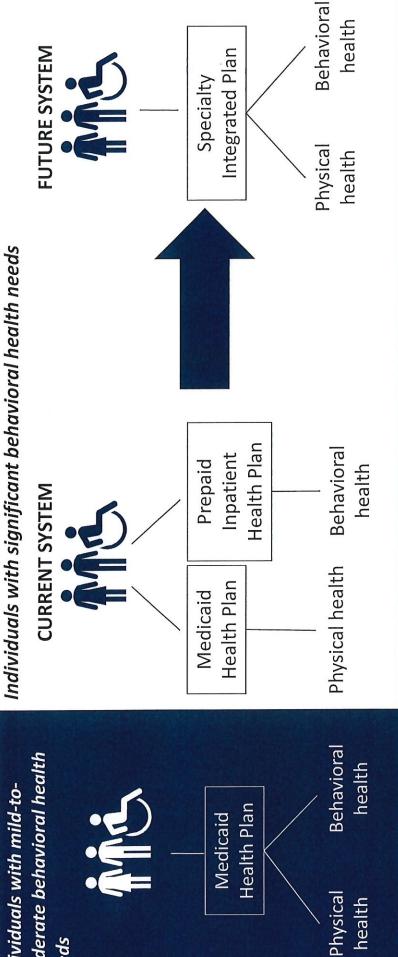






Future model

moderate behavioral health Individuals with mild-to-Health Plan Medicaid



Next steps

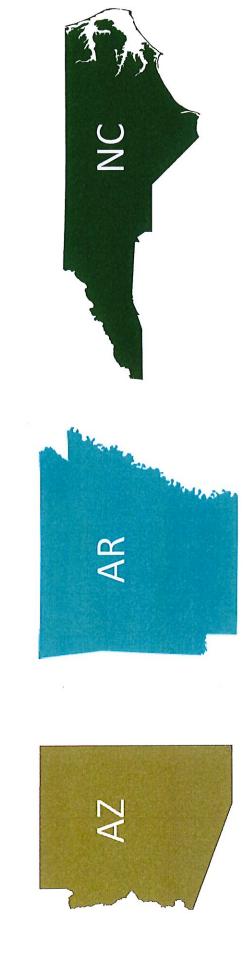
New approach

Principles

Section 298 pilots

Crisis safety net and community benefit services

Other States with Specialty Integrated Plans



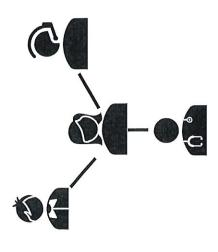
Section 298 pilots

Next steps

Specialty Integrated Plans



One person, one plan



model and team Specialized care









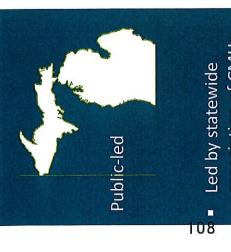
Principles

Specialty Integrated Plans

- All plans must meet certain requirements:
- Fully-licensed and meets insurance regulatory requirements
- Adequately capitalized and risk-bearing
- Strong networks for health & specialty care
- Typical health plan administrative infrastructure
- Specialized care planning and management
- Governance
- Strong statewide public-led option
- Other options can vary, with a preference for statewide coverage and partnerships



Specialty Integrated Plans



- association of CMHs
- provider partners as Managed care and needed



- Led by Medicaid Health Plan
- partners as needed BH and provider



- Led by association of providers and a hospital system
- partners as needed Managed care



FQHCs, and regional Health Plan, CMHs, Led by partnership among a Medicaid providers



Principles

Addressing Our Challenges

Challenge

Solution



Too few quality choices

- New plans bring new providers, options, accountability
- Integrated financing supports integrated care
- Statewide approach increases consistency across regions



Difficulty with coordination & navigation

- One plan, one network, one case manager
- Statewide approach and integrated plans simplify paperwork
- Fewer plans further reduces overhead



Misaligned incentives & financial instability

- Incentives to invest, save, reinvest within one plan
- Accountability for under-performing plans
- Plan is capitalized and bears full risk



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Section 298 pilots

Principles

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Next steps

Better care for Michiganders

Wait for services

Faster approval

2 care managers

1 care manager

No alternatives

Choices

More investment in prevention



Less investment in

Next steps

Better care for Michiganders



Separate care teams



Joint care team



Missed appointments due

to broken car

Transportation help to make appointments



Missed connections to

support services

Supports team connects her with those who can help



111

Section 298 pilots



Proposed Next Steps: Feedback

- 4 public forums to hear from individuals served and their families
- Meetings with all legislative caucuses
- Medicaid Health Plans, public behavioral health system, hospitals, ■ Small group discussions with stakeholders: advocates, providers, and others
- Learn & comment: www.michigan.gov/Futureofbehavioralhealth



Proposed next steps: Timeline

2019

2020

2021

2022

approach □ Discuss

implementation Prepare for Detailed policy

legislation

Enabling

design

implementation Finalize



THANK YOU

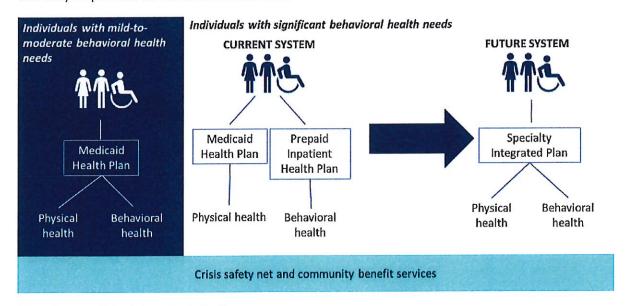


What is the vision MDHHS is proposing?

MDHHS has outlined a vision for a whole person approach to providing care for people in Medicaid with significant mental health, substance use disorder, and intellectual or developmental disabilities. Currently, this population receives their physical health benefits and care management from the Medicaid Health Plans (MHPs), and their behavioral health benefits and case management from the Prepaid Inpatient Health Plans (PIHPs).

This bifurcated system is difficult for people to navigate. Likewise, it creates extra hurdles for providers trying to coordinate and integrate services. The current system does not incentivize providers and managed care organizations to make investments in keeping people well, when they have no way of capturing and reinvesting those savings to sustain these services. The design means that there is no single point of accountability for the health and wellbeing of the whole person. This leads to cost shifting, finger-pointing, and challenges with communication and data-sharing.

To help address these issues, MDHHS is proposing a future integrated system that reduces complexity, lowers barriers to care, and makes it easier for individuals to navigate. Instead of each person having two separate health plans, each person will have just one — a *specialty integrated plan (SIP)*. This means that just one entity will pay for and manage all of their needs. And people will have choices between multiple integrated care management organizations, including one statewide choice of a plan led by public entities currently responsible for behavioral health care.



What is a specialty integrated plan?

SIPs bring together the management skills of traditional insurance companies, with the expertise, enhanced services, and commitments of behavioral health organizations. SIPs will be provided by qualified managed care entities, which will maintain provider networks, manage claims, conduct utilization management, and do individual care coordination for members — like MHPs and PIHPs do today. These entities will bear risk, and receive a capitated payment for every enrolled member. The plan will include all of the benefits available today through the MHP and PIHP systems, including supports services and investments to address social determinants of health, not just traditional medical services.

The plan will come with all of the protections and the higher-touch model of care from the public behavioral health system. This includes person-centered planning, recipient rights, and case management. It will have rigorous network adequacy standards for both physical and behavioral health services to ensure the same or greater access than people have today. It will have a high bar for performance, contract requirements, and other features that provide additional safeguards and a higher degree of oversight by MDHHS.

Furthermore, the organizations offering specialty plans will not just be traditional managed care entities. These plans will have to demonstrate expertise in managing complex physical and behavioral health needs, including relevant clinical experts on staff. They will need to show their experience with and commitment to the core values of our public system, including self-determination, person-centeredness, recovery orientation, and community inclusion.

Who can offer a specialty integrated plan?

We will allow all organizations that can meet these challenging requirements to compete to offer a SIP. We will support the establishment of at least one statewide public plan run by the leaders of our public behavioral health system. In addition, we invite health plans, providers, hospitals, and others to step forward and sponsor SIPs, encouraging all parties to form partnerships that bring in complementary expertise, networks, and relationships. MDHHS will be seeking public input on the detailed application requirements that will ensure every organization is anchored in the necessary expertise and commitments. Examples of what this could look like:









Why does MDHHS think this change is a good idea?

It is time for Michigan to move towards truly integrated health care that serves the whole person. We are committed to making services better for people: easier to access, more consistent across the state, simpler to navigate, and better coordinated. Changing our overall funding structure will enable greater investment in behavioral health services and supports by capturing savings from improved physical health outcomes. Ensuring one entity is accountable for each person will improve results and reduce complexity. Supporting multiple plans will give people choices they do not have today, and it will enable much greater public accountability for results than in our current system. The goal of this change is to improve outcomes for people, and keep them healthy, stable and in long-term recovery, in their homes and communities, living self-directed meaningful lives.

How is this different from the Section 298 model of financial integration?

We have learned a great deal from the Section 298 pilots about how financial integration can be done in a way that draws on the strengths of all of the parts of our system. In 298, individuals with behavioral health needs were folded into Medicaid Health Plans, where all funding and ultimate responsibility for care management rested. Here, new entities are established that combine the management skill of health plans with the expertise, enhanced services, and commitments of behavioral health organizations. A new, more diverse set of organizations will have the opportunity to lead, including at least one plan led by public entities currently responsible for behavioral health. We believe that allowing diverse, self-directed partnerships to emerge is a better idea than forcing one model from the department.

What will happen to the safety net and services for non-Medicaid members?

This plan will preserve and strengthen the safety net and community benefit system, including our commitment to serving all people in crisis, regardless of insurance. These services will continue to be funded and managed through the CMHs, with greater statewide consistency, while retaining flexibility and responsiveness to meet local needs. We will ensure a clearly defined set of core services are available everywhere, and that there's separate dedicated funding to support those activities.

What will be different in the future system for people served?

The ultimate goal of these changes is to improve service-level integration. Everyone will have one entity managing their care and responsible for all of their needs — not two or none, as happens too often today. The Department expects new offering entities will bring new providers into the Medicaid network. Individuals with mild-to-moderate needs will be better able to access services from CMHs and other specialty providers. Individuals will have more consistency in approved and provided services, and there will be stronger requirements and oversight by the state. People will not have to re-write their person-centered plan or change providers if they move across county lines. There will be more investment in prevention and living supports that keep people stable and well, paid for by savings from keeping people out of emergency departments and hospitals. We also expect there will be more innovation in care management and delivery — for example, expansion of health home models — enabled by integrated financing.

What will happen next? How will people have an opportunity to provide input on these plans?

To move forward, we will work in a collaborative partnership among MDHHS, the state legislature, providers, payers, and—most importantly—people served. Over the next few months, we look forward to conversations with all of you about the direction for the future of our system. We will be working with the legislature to identify statutory changes that will need to be made and pass any necessary bills. Following agreement on the overarching vision, we anticipate leading a collaborative process throughout 2020 to make detailed design decisions. There are many critical questions still to answer, and we hope to do so with full public and stakeholder input.

If you would like to weigh in on our proposal, MDHHS will be scheduling four open forums in January 2020. Details about forums, updates about this effort, and an opportunity to submit thoughts electronically are available at www.michigan.gov/futureofbehavioralhealth.





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Senate Bill 376 (Substitute S-1 as passed by the Senate)

Sponsor: Senator Jim Stamas Committee: Appropriations

Date Completed: 12-5-19

CONTENT

The supplemental would provide appropriations for fiscal year (FY) 2019-20 for various State budget areas. These items include items included in Governor Whitmer's original FY 2019-20 budget that were not part of the enacted budget, items that would provide partial or full restoration of items vetoed by Governor Whitmer on September 30, 2019, items that would provide partial or full restoration of funding transferred out by the State Administrative Board in its October 1, 2019, meeting, and other priorities. The supplemental includes line item appropriations of \$459.3 million Gross and \$256.7 million General Fund/General Purpose (GF/GP). Table 1 summarizes the appropriations in the supplemental.

Table 1

		Tubic 1				
FY 2019-20 Supplemental Appropriations						
		State Restricted/				
Budget Area	Gross	Federal	Other	GF/GP		
Agriculture and Rural Dev.	\$3,479,900	\$0	\$0	\$3,479,900		
Corrections	30,952,500	0	(14,100,000)	45,052,500		
Env, Gt Lakes, & Energy	15,000,000	0	0	15,000,000		
Health and Human Svcs	301,472,100	177,055,300	9,285,800	115,131,000		
Insur. & Financial Svcs	3,248,000	0	3,248,000	0		
Judiciary	400,000	0	0	400,000		
Labor & Econ. Opp.	5,999,900	0	0	5,999,900		
Licensing & Reg. Affairs	600,000	0	0	600,000		
Military & Vets Affairs	4,000,000	0	0	4,000,000		
State Police	13,728,800	0	11,728,800	2,000,000		
Tech, Man., & Budget	43,093,700	0	0	43,093,700		
Transportation	10,000,000	0	10,000,000	0		
Treasury	27,351,600	0	5,360,400	21,991,200		
TOTAL	\$459,326,500	\$177,055,300	\$25,523,000	\$256,748,200		

FISCAL IMPACT

The bill provides line-item appropriations of \$459.3 million Gross and \$256.7 million GF/GP. Of the proposed appropriations, \$176.8 million Gross and \$98.0 million GF/GP represent full or partial restorations of items vetoed by Governor Whitmer on September 30, 2019. A total of \$25.7 million Gross and \$12.7 million GF/GP represent full or partial restorations of funding shifted out of programs by the State Administrative Board on October 1, 2019. A total of \$236.2 million Gross and \$105.7 million GF/GP represent full or partial funding for items in

the Governor's original recommendation for FY 2019-20 that were not included in the implemented FY 2019-20 budget. <u>Table 2</u> summarizes the details of the appropriations in the supplemental.

FY 2019-20 BOILERPLATE LANGUAGE SECTIONS-PART 2

- **Sec. 201. General.** Records amount of total State spending and payments to local units of government.
- **Sec. 202. General.** Subjects appropriations and expenditures in the article to the provisions of the Management and Budget Act.
- **Sec. 301. Agriculture and Rural Development.** Directs that environmental stewardship funding be used to agriculture pollution prevention programs and implementation of conservation grants.
- **Sec. 302. Agriculture and Rural Development.** Directs that farm stress funding be used to respond to mental stress and fatigue of Michigan farmers and agricultural producers and their families.
- **Sec. 351. Corrections.** Reinstates long-standing vetoed county jail reimbursement language governing the distribution of funds.
- **Sec. 401. Environment, Great Lakes, and Energy.** Directs that of the \$15.0 million appropriated for PFAS and emerging contaminants, at least \$4.0 million be allocated for a grant program to municipal airports for costs of monitoring and testing of wells. Requires a report to the Legislature by April 1, 2020.
- **Sec. 451. Health and Human Services.** Revises vetoed language on Child Care Fund indirect cost allotment, allocating \$3.5 million to counties and tribal governments that receive reimbursements from the Child Care Fund. Directs that funding be distributed on a proportional basis
- **Sec. 452. Health and Human Services.** Allocates \$2.0 million from the Foster Care Payments line to the West Michigan Partnership for Children to support administrative costs of the prospective payment system established in Kent County.
- **Sec. 453. Health and Human Services.** Reinstates vetoed language allocating \$600,000 in GF/GP for grants to high schools for students recovering from a substance use disorder. Limits funding to a maximum of \$150,000 per high school.
- **Sec. 454. Health and Human Services.** Reinstates vetoed language allocating \$600,000 in GF/GP to create a competitive grant for recovery community organizations for long-term recovery from substance use disorders. Limits grants to a maximum of \$150,000 per organization and sets priorities for allocating those grants.
- **Sec. 455. Health and Human Services.** Reinstates vetoed language allocating \$500,000 to support a detoxification pilot project at St. Mary's hospital in Livonia.
- **Sec. 456. Health and Human Services.** Reinstates vetoed language allocating \$675,000 to primary care clinics on Beaver, Bois Blanc, Drummond, and Mackinac Islands.

- **Sec. 457. Health and Human Services.** Reinstates vetoed language providing \$5.1 million GF/GP plus Restricted and Federal Medicaid match dollars to increase Medicaid payments to critical access hospitals.
- **Sec. 458. Health and Human Services.** Reinstates vetoed language increasing Medicaid payment rates for pediatric psychiatric services to at least 100.0% of Medicare rates.
- **Sec. 459. Health and Human Services.** Reinstates vetoed language increasing Medicaid payment rates for neonatology services to 95.0% of Medicare rates.
- **Sec. 460. Health and Human Services.** Reinstates vetoed language allocating \$8.0 million GF/GP funding for lump sum payments to noncritical access rural hospitals that provide obstetrical care.
- **Sec. 461. Health and Human Services.** Reinstates vetoed language allocating \$13.9 million GF/GP funding to noncritical access rural hospitals.
- **Sec. 462. Health and Human Services.** Reinstates vetoed language allocating \$3.75 million GF/GP, up to \$5.0 million in contributions from public entities, and any Federal Medicaid match to support the MiDocs primary care residency consortium.
- **Sec. 463. Health and Human Services.** Reinstates vetoed language allocating \$1,025,000 to support autism navigators with metrics for allocation and an annual report.
- **Sec. 464. Health and Human Services.** Reinstates vetoed language allocating \$100,000 to support an autism train the trainer pilot in the Walled Lake School District.
- **Sec. 465. Health and Human Services.** Allocates \$300,000 to the Leaders Advancing and Helping Communities organization in Detroit. This funding had been removed through a State Administrative Board transfer on October 1, 2019.
- **Sec. 466. Health and Human Services.** Reinstates vetoed language allocating \$750,000 to support the Andy's Angels substance use disorder program in Jackson County.
- **Sec. 467. Health and Human Services.** Reinstates vetoed language allocating \$40,000 to Michigan State University to support an opioid response consortium in northern Michigan known as Project ECHO.
- **Sec. 468. Health and Human Services.** Reinstates vetoed language allocating \$500,000 to support health-related senior programs at multipurpose senior citizen centers, with a maximum grant of \$5,000 per program.
- **Sec. 469. Health and Human Services.** Reinstates vetoed language allocating \$400,000 to support a dementia care and support program in Allegan, Kent, Lenawee, Macomb, Midland, Monroe, Oakland, St. Clair, St. Joseph, and Wayne Counties with a report to the Legislature on the status of the program and various metrics due by March 1, 2020.
- **Sec. 470. Health and Human Services.** Allocates \$250,000 to support the functions of the suicide prevention commission and designates funding as a work project.
- **Sec. 501. Judiciary.** ReInstates vetoed language, at a higher dollar amount (\$400,000), for a veterans problem solving court in Eaton County.

Sec. 551. Labor and Economic Opportunity. Makes allocations from the Michigan Grants line item: (1) \$1.0 million to Focus: HOPE in Detroit, (2) \$500,000 for upgrades at Alpena Community College, (3) \$250,000 to help repair the seawall in the city of Belleville, and (4) \$250,000 to support a community corrections program in Saginaw County.

Sec. 552. Labor and Economic Opportunity. Allocates \$250,000 for blight elimination projects in rural counties with no individual grant exceeding \$50,000.

Sec. 601. Military and Veterans Affairs. Reinstates vetoed language depositing \$4.0 million in the County Veteran Service Fund.

Sec. 651. State Police. Reinstates vetoed language governing secondary road patrol grants with long-standing language on reporting data and the use of the funding.

Sec. 701. Technology, Management, and Budget. Allocates \$2.0 million to support implementation of the Proposal 2 redistricting commission.

Table 2

FY 2019-20 Supplemental Appropriations				
Department/Program	Gross	GF/GP		
Agriculture and Rural Development				
Pesticide/plant mgt (offset all but \$200,000 of transfer)	\$1,300,000	\$1,300,000		
Animal disease (offset all but \$382,600 of transfer)	400,000	400,000		
Emergency mgt (offset all but \$17,400 of transfer)	182,600	182,600		
Environmental stew. (offset all but \$220,000 of transfer)	300,000	300,000		
Qualified forest program (offset all but \$200,000 of transfer)	797,300	797,300		
Farm Stress Program (veto restoration)	<u>500,000</u>	<u>500,000</u>		
Total Agriculture and Rural Development	\$3,479,900	\$3,479,900		
Corrections				
County jail reimbursement (veto restoration)	\$14,814,600	\$8,914,600		
New custody staff funded at Governor's Rec	10,466,800	10,466,800		
Tether replacement funded at Governor's Rec	4,567,100	4,567,100		
Corizon contract funded nearly at Governor's Rec	2,723,300	2,723,300		
Restore lapse savings for unclassified	200,000	200,000		
Restore admin efficiencies savings: budget/operations	1,780,700	1,780,700		
Restore lapse savings for comm. corrections comp	400,000	400,000		
Restore lapse savings: Transportation	200,000	200,000		
Partially back out special equipment fund swap	0	20,000,000		
Recognize lapse in Hepatitis C line	(2,700,000)	(2,700,000)		
Recognize lapse in Lake County residential	(500,000)	(500,000)		
Recognize lapse in residential probation diversion	(1,000,000)	(1,000,000)		
Total Corrections	\$30,952,500	\$45,052,500		
Environment, Great Lakes, and Energy				
PFAS/emerging contaminants (airport) (veto restoration)	\$15,000,000	\$15,000,000		
Total Environment, Great Lakes, and Energy	\$15,000,000	\$15,000,000		
Health and Human Services	424 26E 100	\$5,099,100		
Restore critical access hospitals (veto restoration)	\$34,265,100 1,025,000	1,025,000		
Restore autism navigator (veto restoration)	1,025,000	100,000		
Restore autism train the trainer (veto restoration)	40,000	40,000		
Restore Project ECHO funding (veto restoration)	500,000 500,000	500,000		
Restore senior center grants (veto restoration)	300,000	200,000		

Table 2

Table 2		
FY 2019-20 Supplemental Approp		
Department/Program	Gross	GF/GP
St. Mary's substance use disorder (veto restoration)	500,000	500,000
Hospital rural OB pool (veto restoration)	7,995,200	7,995,200
Hospital rural/sole community pool (veto restoration)	16,625,400	13,904,800
Island clinics (veto restoration)	675,000	675,000
Child care fund indirect costs (partial veto restoration)	3,500,000	3,500,000
Andy's Angels program (veto restoration)	750,000	750,000
Alzheimer's pilot (dementia support) (veto restoration)	400,000	400,000
Recovery high school funding (veto restoration)	600,000	600,000
Recovery community org. funding (veto restoration)	600,000	600,000
Restoration of MIDOCs (veto restoration)	17,500,000	3,750,000
Medicaid pediatric psych rate increase (veto restoration)	10,743,600	3,861,300
Medicaid neonatologist rate increase (veto restoration)	5,217,000	1,875,000
Positive/negative \$2M for West Mich partnership	0	0 200 000
Leaders advancing/helping communities (reverse Ad Board)	300,000	300,000
Suicide prevention commission	250,000	250,000
Restoration of multicultural (reverse Ad Board)	8,084,600	8,084,600
Fund lead and copper rule	4,500,000	4,500,000
Funding for HMP work requirement implementation	3,900,000	3,900,000
Supportive visitation funded at Governor's Rec	2,901,200	2,901,200
Fund ACA insurer fee at Governor's Rec	180,500,000 \$301,472,100	50,019,800 \$115,131,000
Total Health and Human Services	\$501,472,100	\$119,131,000
Insurance and Financial Services		
No-fault administration (insurance bureau fund, 16.0 FTEs)	\$3,248,000	<u>\$0</u>
Total Insurance and Financial Services	\$3,248,000	<u>\$0</u>
Total Aligarance and I maneral Devotees in minimum.	Ψ5/2 .0/000	7-
Judiciary		
Funding for problem solving courts (veto restoration)	\$400,000	\$400,000
Total Insurance and Financial Services	\$400,000	\$400,000
		, .
Labor and Economic Opportunity		
Blight removal funding	\$250,000	\$250,000
At-risk youth grants (reverse Ad Board)	3,749,900	3,749,900
Focus: HOPE funding (MI enhancement grant)	1,000,000	1,000,000
Repair Belleville seawall (MI enhancement grant)	250,000	250,000
Saginaw county comm. corrections (MI enhancement grant)	250,000	250,000
Alpena Community College project (MI enhancement grant)	<u>500,000</u>	500,000
Total Labor and Economic Opportunity	\$5,999,900	\$5,999,900
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Licensing and Regulatory Affairs		
Urban search and rescue (reverse Ad Board)	<u>\$600,000</u>	<u>\$600,000</u>
Total Licensing and Regulatory Affairs	\$600,000	\$600,000
Military and Veterans Affairs		
Restore county veteran service fund (veto restoration)	<u>\$4,000,000</u>	<u>\$4,000,000</u>
Total Military and Veterans Affairs	\$4,000,000	\$4,000,000
State Police		
Restore secondary road patrol (veto restoration, 1.0 FTE)	\$13,074,300	\$2,000,000
Restore training grants (veto restoration)	<u>\$654,500</u>	<u>\$0</u>
Total State Police	\$13,728,800	\$2,000,000

Total FY 2019-20 Supplemental Appropriations	\$459,326,500	\$256,748,200
Total Treasury	\$27,351,600	\$21,991,200
Restoration of purchased lands PILT (veto restoration)	<u>8,677,900</u>	<u>3,317,500</u>
Restoration of swamp/reverted PILT (veto restoration)	15,305,600	15,305,600
Treasury Restoration of commercial forest PILT (veto restoration)	\$3,368,100	\$3,368,100
		
Total Transportation	\$10,000,000	\$ 0
Restore Transit Capital urban (reverse Ad Board)	13,000,000	<u>0</u>
Transportation Reduce service initiatives (partially reverse Ad Board)	(\$3,000,000)	\$0
Total recimology, Management, and Budget	\$43,U93,7UU	\$43,093,700
Funding for 2020 census Total Technology, Management, and Budget	10,000,000 \$43,093,700	10,000,000 \$43,093,700
Fund enterprise spec. maintenance at Governor's Rec	8,100,000	8,100,000
Fund MI public safety commun. at near Gov's Rec	7,993,700	7,993,700
Fund IT investment fund at Governor's Rec	15,000,000	15,000,000
Proposal 2 implementation	\$2,000,000	\$2,000,000
Technology, Management, and Budget		

Fiscal Analyst: Steve Angelotti

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.