



Community • Independence • Empowerment

FY 2024/2025 BUDGET PRESENTATION

EXECUTIVE SUMMARY – BUDGET FY 24/25

- **State of the System – Current year funding**
 - Significant Medicaid/HMP overspend in FY 2024:
 - Medicaid enrollees dropped more than projected
 - State-wide, system is getting approximately \$80 million less than expected
 - SWMBH has a FY2024 deficit of approximately \$25M that will deplete the risk reserve and require MDHHS contribution
 - Expenditures in the region have grown faster than the state-wide average since 2022.
 - CCBHC Funding is expected to increase, but so are the expenses based on additional state requirements.
- **State of the System – MDHHS Statewide Systemic Changes**
 - On-going reenrollment challenges
 - CCBHC Demonstration expansion
 - MDHHS Consideration of 2024 rate adjustments (again). May have an impact on 2025 rate setting.

BUDGET OVERVIEW

- Direct Care wage enhancement continued
- 3% increases for most providers and Designated Collaborating Organizations
- 3% increase for ISK staff
- Increase in Medicaid & HMP funding due to projected increase in rates (based on draft rates).
- CCBHC revenues at an increased PPS-1 rate - \$369 (based on 2023 cost report). CCBHC expense have increased by \$3.5M due to new requirements.

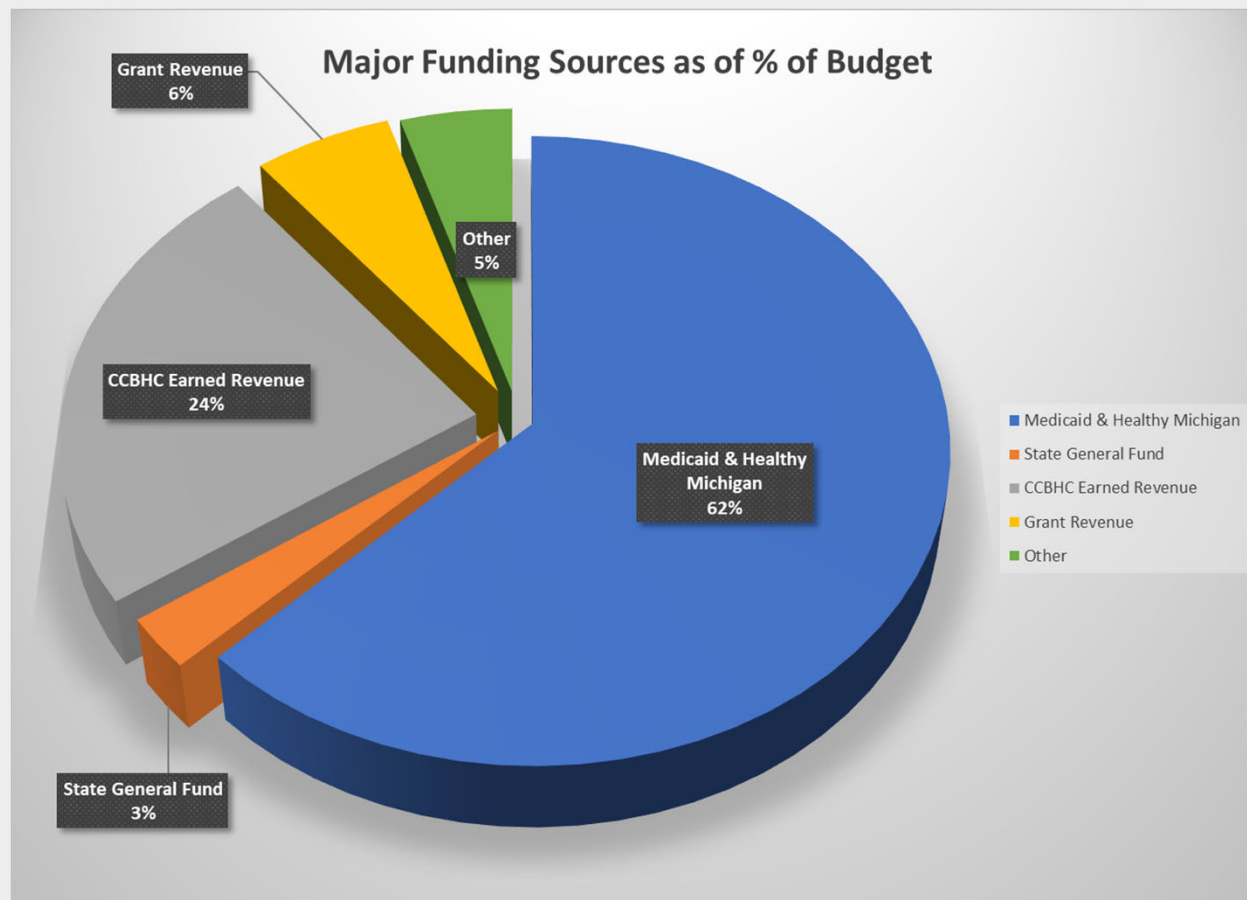
OPERATING EXPENSE

	2024 BUDGET	2024 Projected	Proposed 2025 BUDGET	Projected to 2025 Budget Difference	Projected to 2025 Budget % Difference
Operating expenses					
Salaries and wages	27,984,525	28,582,297	32,439,500	3,857,203	13%
Employee benefits	10,070,805	10,283,254	11,478,010	1,194,756	12%
Staff development	280,317	299,757	301,171	1,414	0%
Payments to providers	76,194,079	82,605,878	88,887,199	6,281,321	8%
Administrative contracts	7,781,913	8,453,610	10,143,932	1,690,322	20%
IT software and equipment	692,972	700,623	711,238	10,615	2%
Client transportation	41,100	42,600	46,230	3,630	9%
Staff travel	322,767	357,718	392,365	34,647	10%
Office expenses	515,667	527,139	730,523	203,384	39%
Insurance expense	128,035	128,035	158,746	30,711	24%
Depreciation expense	589,832	589,610	717,795	128,185	22%
Utilities	374,796	389,838	391,528	1,690	0%
Local match	617,788	305,108	305,108	-	0%
Total operating expenses	\$ 125,594,595	\$ 133,265,466	\$ 146,703,345	\$ 13,437,878	

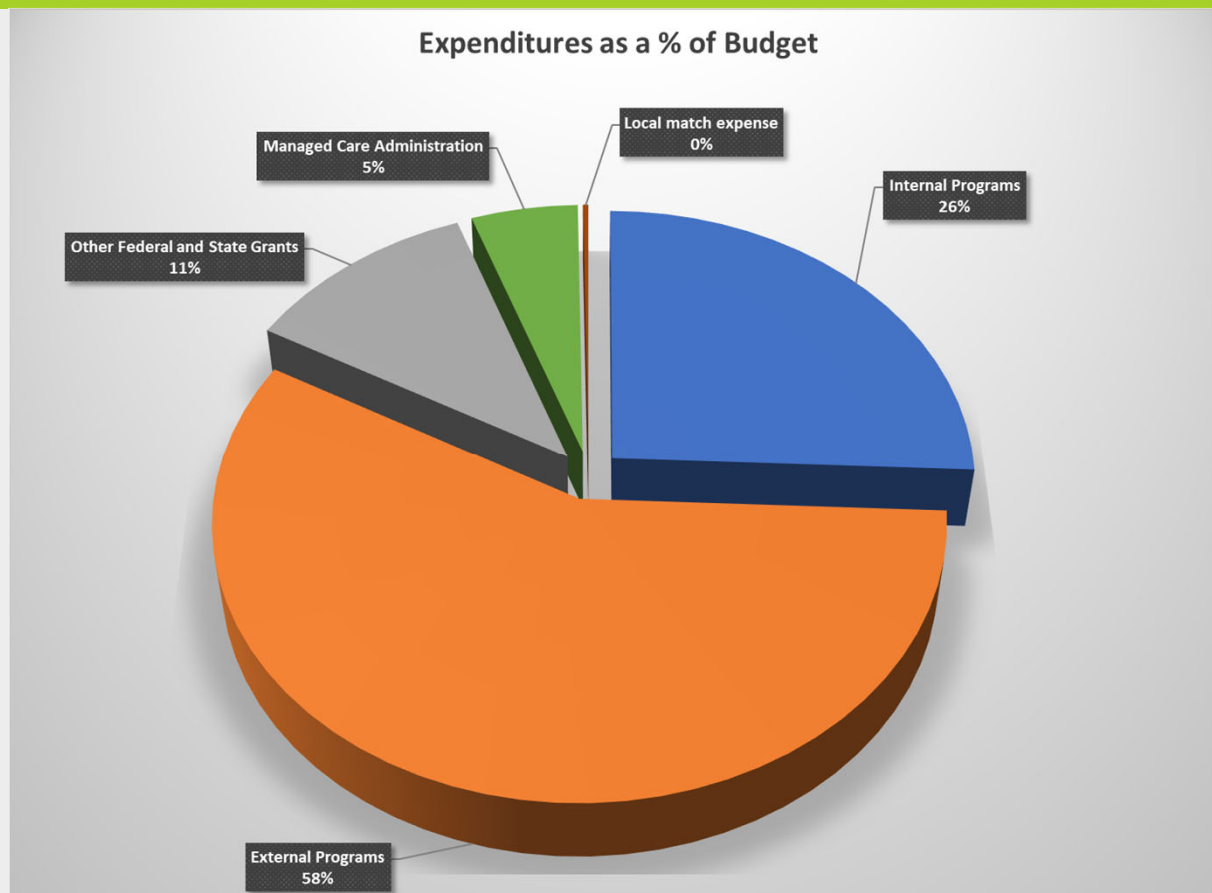
OPERATING REVENUE

	2024 BUDGET	2024 Projected	Proposed 2025 BUDGET	Projected to 2025 Budget Difference	Projected to 2025 Budget % Difference
Operating revenue					
Medicaid:					
Traditional Capitation	\$ 59,535,085	\$ 66,795,738	\$ 71,759,922	\$ 4,964,184	7%
Healthy Michigan Capitation	12,302,122	5,424,971	13,011,361	7,586,390	140%
Settlement	5,287,379	11,378,588	6,448,857	(4,929,731)	-43%
State General Fund	3,705,491	3,705,491	3,900,516	195,025	5%
CCBHC Demonstration	-	27,297,101	35,053,524	7,756,423	28%
County Allocation	1,550,400	1,550,400	1,550,400	-	0%
Client Fees	357,483	744,432	620,500	(123,932)	-17%
Other grant revenue	7,071,254	8,674,664	8,558,938	(115,726)	-1%
Other earned contracts	2,752,649	3,327,003	3,974,361	647,358	19%
Interest	1,000	181,991	181,000	(991)	-1%
Local revenue	10,000	796,922	610,000	(186,922)	-23%
Total operating revenue	\$ 92,572,863	\$ 129,877,300	\$ 145,669,379	\$ 15,792,078	

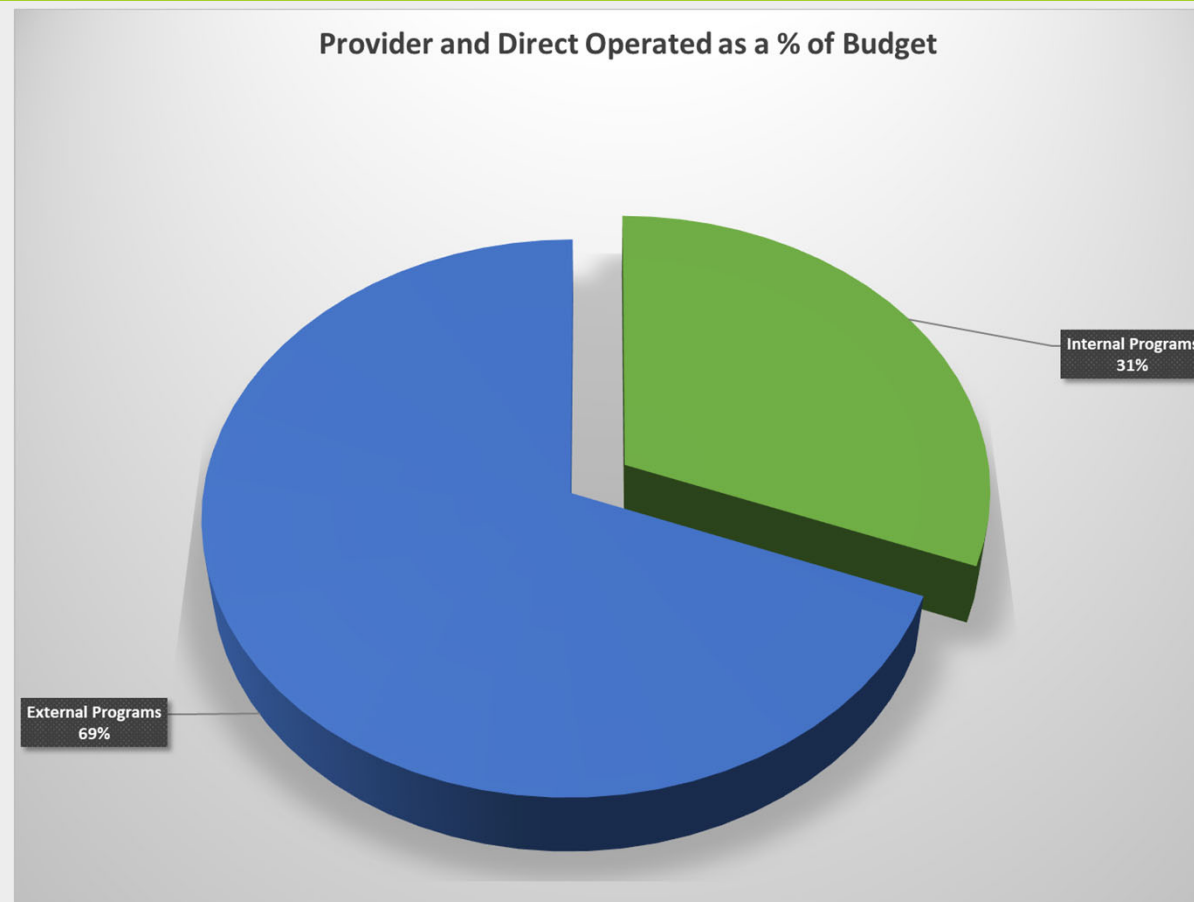
MAJOR FUNDING SOURCES AS % OF BUDGET



EXPENDITURE AS % OF BUDGET



PROVIDER & DIRECT OPERATED AS % OF BUDGET



PROVIDER BUDGET BY SERVICE

	2024 Projected	Proposed 2025 BUDGET	Projected to 2025 Budget Difference	Projected to 2025 Budget % Difference
Specialized Residential	\$ 37,749,680	\$ 40,172,224	\$ 2,422,544	6%
Case Management	3,998,340	4,107,908	109,568	3%
Autism Services	9,857,005	10,557,005	700,000	7%
Skill Building	3,140,366	3,366,157	225,791	7%
CLS - 15 Minutes	13,711,296	14,244,992	533,696	4%
Peer Services	742,910	805,789	62,879	8%
Community Hospital	9,065,056	9,446,469	381,413	4%
State hospital	743,063	818,871	75,808	10%
Crisis Residential	558,081	996,100	438,019	78%
Other	3,627,981	3,897,845	269,864	7%
	<u>\$ 83,193,778</u>	<u>\$ 88,413,360</u>	<u>\$ 5,219,582</u>	<u>6%</u>

	2024 Projected	Proposed 2025 BUDGET	Projected to 2025 Budget Difference
310 CLINICAL SUPERVISION	\$ 2,166,320	\$ 2,869,864	\$ 703,544
311 PROGRAM SUPPORT - GENERAL	750,863	778,949	28,086
400 PEER SUPPORTS	416,644	1,253,998	837,354
410 SED HOMEBASED	644,666	830,412	185,746
415 YOUTH CASE MANAGEMENT	1,033,437	1,191,276	157,839
420 MIA CASE MANAGEMENT	2,005,691	2,143,700	138,009
440 IDDA CASE MANAGEMENT	1,420,186	1,627,050	206,864
445 EMH	903,488	696,604	(206,884)
455 ICS	340,898	1,476,364	1,135,466
470 SUPPORTED EMPLOYMENT	116,458	774,356	657,898
475 CLS MIA	9,087	81,611	72,524
480 ACT	1,510,141	1,327,854	(182,287)
490 DBT	765,619	732,495	(33,124)
500 UCAC	863,328	1,724,069	860,741
510 SED SCHOOLBASED	153,228	211,239	58,011
540 BTC(Behavior Treatment Committee)	254,710	257,047	2,337
545 COMMUNITY HEALTH WORKER	-	1,406,560	1,406,560
560 PSYCH SERVICES	3,830,794	4,048,125	217,331
561 PROGRAM SUPPORT - PSYCH SERVICES	449,896	546,994	97,098
570 MH OUTPATIENT SERVICES	1,775,714	2,097,575	321,861
571 PROGRAM SUPPORT - OUTPATIENT	209,597	409,040	199,443
585 YOUTH OUTPATIENT SERVICES	1,160,505	1,239,652	79,147
623 CORRECTIONS SERVICES	297,936	341,897	43,961
664 D/O WRAPAROUND	720,374	746,216	25,842
670 FAMILY SUPPORT PARTNERS	181,874	221,060	39,186
675 YOUTH CLS SERVICES	8,167	-	(8,167)
	<u>\$ 21,989,620</u>	<u>\$ 29,034,007</u>	<u>\$ 7,044,387</u>
General Administration	10,605,837	11,872,979	1,267,142
Managed Care	6,471,323	5,852,318	(619,005)
Grants & Earned Contracts	12,247,664	11,056,501	(1,191,163)
	<u>\$ 29,324,823</u>	<u>\$ 28,781,798</u>	<u>\$ (543,025)</u>
Total Internal	<u>\$ 51,314,443</u>	<u>\$ 57,815,805</u>	<u>\$ 6,501,362</u>

INTERNAL BUDGET

SWMBH FUNDING REVIEW

	Specialty Services	Healthy Michigan	Totals
Operating revenue			
Medicaid:			
Traditional Capitation	\$ 71,759,922	\$ -	\$ 71,759,922
Healthy Michigan Capitation	-	13,011,361	13,011,361
Total operating revenue	\$ 71,759,922	\$ 13,011,361	\$ 84,771,283
Operating expenses			
Internal services	\$ 2,347,254	\$ 117,363	\$ 2,464,616
External services	76,285,739	5,119,947	81,405,686
Delegated managed care	6,895,057	454,780	7,349,838
Total operating expenses	\$ 85,528,050	\$ 5,692,090	\$ 91,220,140
Change in net position	(13,768,128)	7,319,271	\$ (6,448,857)

	CCBHC Medicaid	CCBHC Healthy MI	CCBHC Non-Medicaid	CCBHC YTD Totals
Operating revenue				
Revenue	\$ 27,471,536	\$ 7,303,928	\$ -	\$ 34,775,464
First & third party payments	155,125	62,050	469,861	687,036
Total CCBHC Revenue	<u>\$ 27,626,661</u>	<u>\$ 7,365,978</u>	<u>\$ 469,861</u>	<u>\$ 35,462,500</u>
Operating expenses				
Internal services	\$ 18,719,347	\$ 5,002,584	\$ 2,992,748	\$ 26,714,679
DCO Contracts	5,222,639	1,393,682	968,242	7,584,563
Total operating expenses	<u>\$ 23,941,986</u>	<u>\$ 6,396,266</u>	<u>\$ 3,960,990</u>	<u>\$ 34,299,242</u>
Operating change in net position	3,684,675	969,712	(3,491,129)	1,163,258
Reclassification to cover Non-Medicaid	-	-	408,976	408,976
Total change in net position	3,684,675	969,712	(3,082,153)	1,572,234

CCBHC FUNDING REVIEW

PPS-1 AT \$369

	State General Fund	CCBHC	Other Funding Sources	Totals
Operating revenue				
General Fund	\$ 3,900,516	\$ -	\$ -	\$ 3,900,516
Projected GF Carryforward	-	-	-	-
CCBHC Demonstration	-	34,775,464	-	34,775,464
Other Federal and State Grants	-	-	8,558,938	8,558,938
Earned Revenue	-	-	3,974,361	3,974,361
COFR Revenue	-	-	-	-
Interest	-	-	181,000	181,000
County Allocation	-	-	1,550,400	1,550,400
Local Revenue	-	687,036	412,548	1,099,584
Restricted Interest	-	-	-	-
Transfer from GF	-	408,976	-	408,976
Settlement Revenue (Expense)	-	-	-	-
Total operating revenue	\$ 3,900,516	\$ 35,871,476	\$ 14,677,247	\$ 54,449,239
Operating expenses				
Internal Programs	\$ 894,890	\$ 34,299,242	\$ -	\$ 35,194,132
External Programs	2,347,254	-	600,000	2,947,254
Other Federal and State Grants	-	-	14,426,632	14,426,632
HUD Grants	-	-	1,393,682	1,393,682
Managed Care Administration	249,396	-	7,261	256,657
Homeless Shelter	-	-	469,451	469,451
Transfer from GF	408,976	-	-	408,976
Local match expense	-	-	305,108	305,108
Non-DCH Activity Expenditures	-	-	81,313	81,313
Total operating expenses	\$ 3,900,516	\$ 34,299,242	\$ 17,283,447	\$ 55,483,205
Change in net position	0	1,572,234	(2,606,200)	\$ (1,033,966)

ISK "AT RISK" FUNDING REVIEW

QUESTIONS & ANSWERS