



FISCAL YEAR  
2022

PROPOSED  
BUDGET

# LIFEWAYS

## Fiscal Year 2022 Budget

### Significant Assumptions and Key Points

- I. Medicaid, Healthy Michigan Plan (HMP) and Autism revenues - LifeWays used the projections from Mid-State Health Network (MSHN) -- the regional Pre-Paid Inpatient Health Plan (PIHP) -- for our Community Mental Health Services Program (CMHSP).
  - Mental Health Medicaid funding for Fiscal Year (FY) 2022 is projected to be \$73.9 million which is a \$6.8 million increase over FY 2021 revenues of \$67.1 million. This amount is our PEPM (per eligible per month) allotment. Additionally, the HMP funding for FY 2022 is projected at \$8.9 million, an decrease of \$0.6 million from our FY 2021 revenues of \$9.5 million.
  - Autism funding for FY 2022 is projected to be \$6.3 million which is a \$0.1 million increase over our FY 2021 revenue budget of \$6.2 million. LifeWays continues to be a leader in the region for the provision of services to consumers who qualify for the Autism benefit.
- II. Local funds/Millage/GF
  - County contributions are included at the expected appropriated amounts of \$560,000 for Jackson and \$194,000 for Hillsdale. It is anticipated that LifeWays will receive an additional \$1.4 million from Jackson County and an additional \$676,890 from Hillsdale County as a result of the successful passage of the Mental Health Millage in both counties in May 2017 and August 2018, respectively.
  - In August 2014 the State of Michigan accepted the Department of Community Health (now Department of Health and Human Services) hardship letter from Jackson and Hillsdale counties, thereby agreeing to pay LifeWays the sum of \$3,299,285 over 10 years. These payments will have no effect on revenues for FY 2022. The payments were recorded as an accounts receivable in FY 2014. FY 2022 is year 8 of the 10-year repayment plan. Jackson County's annual repayment is \$250,000 and Hillsdale County's is \$79,928.50.
  - For FY 2022, the Millage dollars for Jackson and Hillsdale counties will remain in their own millage fund so they can continue to be tracked separate from other monies used for service provision. The monies that are captured in this separate funding area are the millage dollars above and beyond the local match requirement and the 10-year supplemental pay back. Until plans are approved by the counties, the budget captures all monies being used for service delivery based on prior year use and prior year approved staffing, such as the jail clinicians, to anticipate use in the current fiscal year. However, until the final decisions are made, we do not know if changes to the use of funds for staffing, supplies, or other expenses as a component of service provision will be required. We will address that in an ongoing basis and provide updates to the budget as necessary.
  - General Fund revenue is expected to increase to \$2.2 million in FY 2022 from the \$2.1 million in FY 2021. The State has implemented a new General Fund allocation and LifeWays will see an increase of about \$800,000 over a 5-year period. FY 2022 is the fourth year of the re-allocation of GF funding to the local CMHs.

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## Fiscal Year 2022 Budget

### Significant Assumptions and Key Points

#### III. Tenant revenue

- Tenant revenue is anticipated to consist solely of revenues from the Group Home fund which oversees the management of the owned and leased Group Homes used by LifeWays for the benefit of its consumers.

#### IV. Mental Health Funding costs

- Based on the current projection of FY 2022 Medicaid revenues and expenses, the amount of \$4,762,682 will be due from MSHN, our regional PIHP. The primary reason for the additional funds needed is related to the DCW expenses included in the LifeWays budget but not included in the MSHN revenue projections due to uncertainty at the State legislative level.
- LifeWays is not unique in our region or the State for providing Healthy Michigan eligible consumers with the same level of services as a Medicaid-eligible consumer, yet the funding levels are not the same or similar between the two programs. LifeWays will continue to meet State strategies, healthcare reform, movement towards the Integrated Health model, and MSHN's expectations for expanded service delivery.
- The State of Michigan has not approved its FY 2022 budget as of August 31, 2021. If the State budget is approved on or after October 1, an updated budget will be provided as soon as possible should the final revenues result in a significant change (greater than +/- 5%).
- LifeWays will continue to evaluate and analyze all areas of its business model in FY 2022 to maintain LifeWays' position as a strong participant in Mental Health Service delivery.

#### V. Provider Network Services

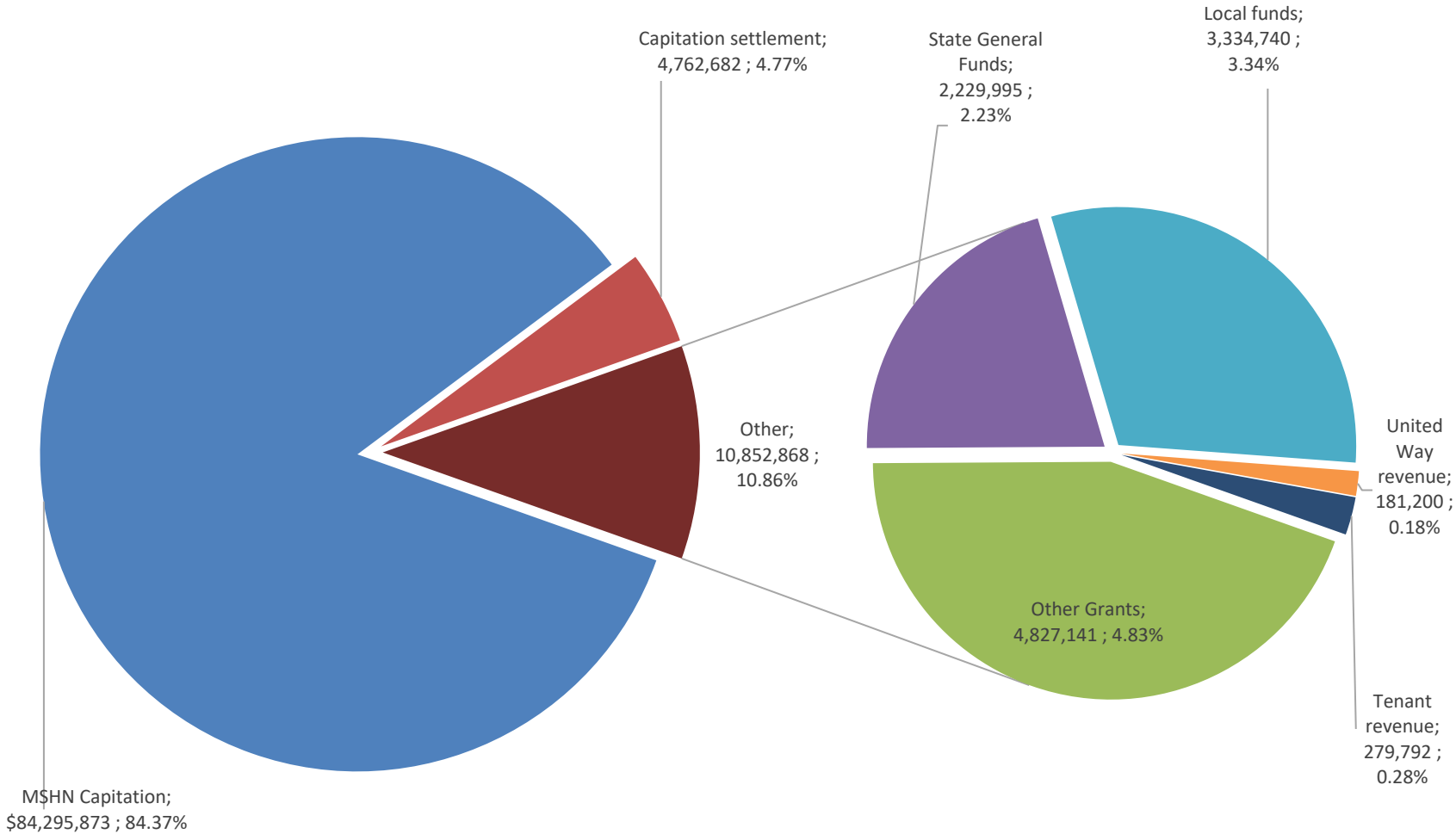
- With the creation of Mid-State Health Network and transition of Medicaid funding responsibilities, there is an expectation from the State for consistency in the services provided to Medicaid consumers across the region. To meet this expectation, LifeWays' FY 2019-FY 2021 Strategic Plan includes strategic priorities, goals and strategies to align our business model with MSHN's and ultimately with the State's health care initiatives. LifeWays' FY 2022-FY 2024 Strategic Plan is in development and the budget will be updated as needed once the plan is finalized.

MSHN has several workgroups that are looking at costs associated with access, eligibility and other areas of service provision. These workgroups are working towards standardization of costs throughout the region. As the region continues to standardize and determine level of variances, LifeWays may need to make adjustments to rates for services as defined by our contract with MSHN.

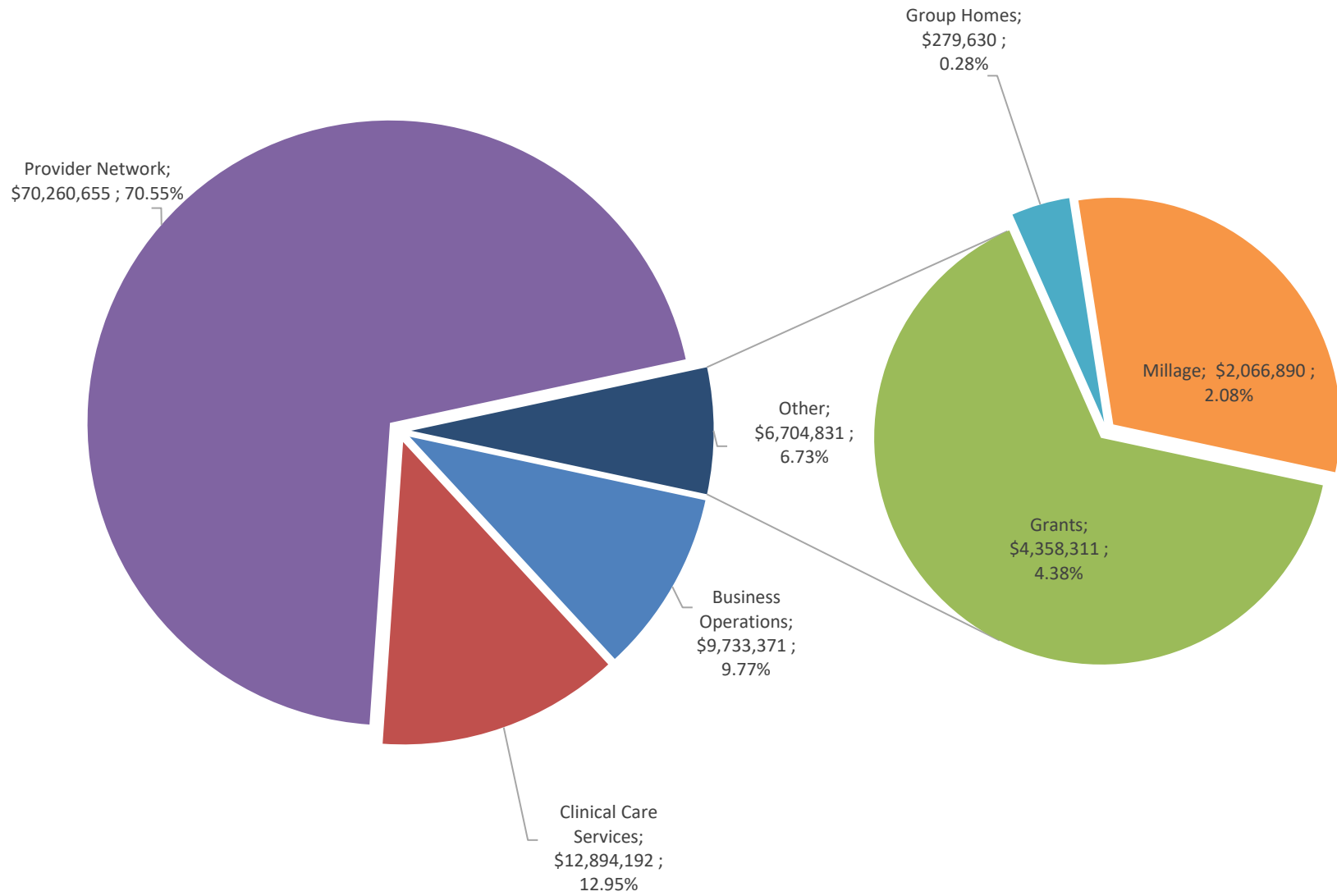
#### VI. Internal Services

- In FY 2019, LifeWays focused on meeting the Consumer where and when the need arose. LifeWays continued that focus in FY 2020 & FY 2021. For FY 2022, LifeWays plans to expand on that goal even further by ramping up access and care coordination through our grant from SAMHSA as a Certified Community Behavioral Health Clinic.

Revenue by Category  
\$99,911,423



Expenditures by Category  
\$99,593,049



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## Fiscal Year 2022 Budget

### Combined Operations

	Mental Health Fund	Millage Fund	Grand Total
<b>Operating revenue</b>			
MSHN Capitation	\$ 84,295,873	\$ -	\$ 84,295,873
Capitation settlement	4,762,682	-	4,762,682
Other Grants	4,827,141	-	4,827,141
State General Funds	2,229,995	-	2,229,995
Local funds	1,267,850	2,066,890	3,334,740
United Way revenue	181,200	-	181,200
Tenant revenue	279,792	-	279,792
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Total operating revenue	97,844,533	2,066,890	99,911,423
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<b>Mental health costs</b>			
Business Operations	9,733,371	-	9,733,371
Clinical Care Services	12,894,192	2,066,890	14,961,082
Grants	4,358,311	-	4,358,311
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Provider network services	70,260,655	-	70,260,655
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Group Home expenses	279,630	-	279,630
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Total operating expenses	97,526,159	2,066,890	99,593,049
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Net income (loss)	\$ 318,374	\$ -	\$ 318,374
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## Fiscal Year 2022 Budget

### Millage Activities

	Jackson County	Hillsdale County	Total Millage Activities
<b>Local revenue</b>			
Jackson millage revenues	\$ 1,390,000	\$ -	\$ 1,390,000
Hillsdale millage revenues	-	676,890	676,890
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Total operating revenue	1,390,000	676,890	2,066,890
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<b>Personnel costs</b>			
Salaries and wages	765,758	305,014	1,070,772
Fringe benefits	361,642	84,752	446,394
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<b>Other operating costs</b>			
Purchased services	183,600	232,624	416,224
Equipment and supplies	19,200	12,200	31,400
Other expenses	50,000	36,500	86,500
Travel and training costs	4,200	4,400	8,600
Telephone and postage	5,600	1,400	7,000
Operating insurance	-	-	-
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Total expenses	1,390,000	676,890	2,066,890
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Revenue over (under) expenses	\$ -	\$ -	\$ -
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## Fiscal Year 2022 Budget

### Summary of Budgeted FTEs by Department

Department	Full Time Equivalents	Salary	Fringes	Total
<b>Mental Health Operations</b>				
Office of the Chief Executive	8	\$ 685,422	\$ 251,093	\$ 936,515
Human Resources	6	437,679	147,501	585,180
Corporate Compliance	1	96,577	17,133	113,710
Public Relations	4	280,689	112,333	393,022
Finance Department	10	621,977	259,071	881,048
Information Management	8	521,856	189,862	711,718
Contracts and Procurement	8	491,713	183,413	675,126
Utilization Management	7	437,627	146,349	583,976
Access Center	11	671,997	271,118	943,115
LifeWays Call Center	10	421,557	157,833	579,390
LifeWays Call Center - non-United Way	2	70,582	19,900	90,482
Eligibility Specialist Group	1	51,599	16,412	68,011
Clinical Care Division - Outpatient	2	118,416	61,309	179,725
Clinical Care Division - Med Svcs/Int Health	1	26,383	18,107	44,490
Clinical Care Division - Access/Crisis	3	364,285	88,996	453,281
Clinical Care Division - All	6	652,562	206,734	859,296
Customer Services	2	101,277	42,660	143,937
Office of Recipient Rights	4	226,990	83,512	310,502
Quality Improvement	4	277,756	118,476	396,232
Medical Services - Jackson	10	973,552	298,028	1,271,580
Office supports	8	341,889	154,886	496,775
Medical Services - Hillsdale	2	213,259	66,320	279,579
23-Hour Crisis Respite & Relaxation Center	5	225,900	113,976	339,876
Access - ICS Services	18	1,044,360	475,983	1,520,343
Crisis Residential Unit (CRU)	4	277,118	108,312	385,430
Case Mgmt and Supports Coordinators	16	822,026	361,852	1,183,878
Therapy Services	4	254,616	94,476	349,092
SUD Therapy Services	4	269,771	107,886	377,657
Intensive Crisis Stab Svcs for Children	2	112,761	28,598	141,359
SIS Assessments	1	54,031	16,551	70,582
Adults with SMI	10	446,066	227,698	673,764
Children with SMI	4	156,586	80,269	236,855
MSHN - SUD Services	1	78,076	31,526	109,602
Children's Intensive Crisis Stab grant	2	95,743	41,061	136,804
OBRA/PASARR	5	294,300	108,058	402,358
Jackson Health Network - Navigators	3	103,391	40,256	143,647
Navigation/Isolation/COVID grant	3	85,538	38,116	123,654
MI Health Endowment	1	34,553	14,053	48,606
SAMHSA-CCBHC	21	1,234,284	554,046	1,788,330
Millage - Jackson - Jail/Crisis Svcs	18	765,758	361,642	1,127,400
Millage - Hillsdale - Jail/Crisis Svcs	4	305,014	84,752	389,766
<b>Total Staffing</b>	<b>244</b>	<b>\$ 14,745,536</b>	<b>\$ 5,800,157</b>	<b>\$ 20,545,693</b>

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## Fiscal Year 2022 Budget

### Summary of Revenue Contracts

Revenue Source (Grantor/Payor)	Contract Type	Department	Amount
CCBHC (SAMHSA)	Grant	Grants	\$ 2,222,514
OBRA/PASSAR (MDHHS)	Grant	Grants	528,331
Children's ICSS (MDHHS)	Grant	MDHHS	139,465
Adults with SMI (MDHHS)	Grant	MDHHS	714,755
Children with SMI (MDHHS)	Grant	MDHHS	253,735
Navigation/COVID	Grant	MDHHS	125,654
Michigan New Job Tax Credit (Jackson College)	Grant	All Admin	30,000
Jackson Health Network	Grant	Community Navigator:	147,047
MSHN - Prevention	Grant	Prevention	124,336
MSHN - PA2	Grant	Prevention	12,000
MSHN - Clubhouse spenddown	Grant	Grants	12,000
Jackson County Mental Health Court	Vendor	Mental Health Court	25,000
Jackson County United Way	Vendor	Call Center	120,000
MDHHS United Way	Vendor	Call Center	310,000
Concord Schools	Vendor	Outpatient/Schools	55,800

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## Fiscal Year 2022 Budget

### Summary of Service Contracts

Vendor	CASE MANAGEMENT/ SUPPORTS COORDINATION	CLS	IN-PATIENT	OUT-PATIENT	LICENSED RESIDENTIAL	SKILL BUILDING	THERAPY & EVALUATION	RESPIRE	AUTISM	ACT
A.R.E., of Jackson	✓			✓						
Alternative Choices		✓								
Arbor Hills Psychological Services				✓			✓			
BCA - Stonecrest			✓							
Beacon	✓			✓	✓					
Benjamin's Hope		✓								
Case Management Corp.	✓			✓						
Centria									✓	
Christ Centered Homes, Inc.		✓		✓	✓					
Community Alliance		✓						✓		
Community Inclusion Recreation		✓								
Comprehensive Speech /Therapy Center	✓	✓				✓	✓		✓	
CMH Authority of CEI										
Cornerstone AFC		✓								
Davis Better Care					✓					
Family Services & Children's Aid				✓			✓			
Forest View			✓							
Friends Who Care		✓		✓						
Generic Respite								✓		
Genoa (fka Advanced Care)		✓		✓						
Golden Years AFC		✓		✓	✓					
Harbor Oaks Hospital			✓							
Havenwyck Hospital		✓			✓					
Healthsource			✓	✓						
Healthy Dimension				✓						
Henry Ford Allegiance Health			✓	✓						
Hernandez Home, LLC		✓								
Highfields, Inc.	✓			✓			✓			
Hillsdale Community Health Center			✓							

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## Fiscal Year 2022 Budget

### Summary of Service Contracts

Vendor	CASE MANAGEMENT/ SUPPORTS COORDINATION	CLS	IN-PATIENT	OUT-PATIENT	LICENSED RESIDENTIAL	SKILL BUILDING	THERAPY & EVALUATION	RESPIRE	AUTISM	ACT
Hope Network	✓	✓		✓	✓					
Integro, Inc.	✓			✓			✓			
Jordon, Barbara C.		✓			✓					
Kalamazoo CMH Services	✓	✓		✓	✓	✓				
Key Opportunities, Inc.				✓		✓				
Lenawee County CMH	✓			✓			✓			
Life Span...A Community Service		✓		✓	✓	✓		✓		
Lighthouse, Inc.		✓	✓							
Macomb-Oakland Regional Center	✓	✓		✓	✓	✓				
Momentum Therapy Services				✓					✓	
New Passages				✓		✓				
Oaklawn Hospital			✓							
Pine Rest Hospital			✓							
Prader Willi Homes of Oconomowoc		✓								
Recovery Technology	✓			✓			✓			✓
Renaissance Inc.		✓		✓	✓					
Residential Options									✓	
Rice Manor		✓		✓	✓					
Schweikert's AFC		✓			✓					
Segue Inc.	✓			✓			✓			✓
St. Louis Center		✓								
St. Mary's Health Center			✓				✓			
Tenacious Living		✓					✓			
Training and Treatment Innovat				✓						
The Guidance Center				✓			✓			
Twin Maples		✓			✓					
University of MI Hospital							✓			