

NETWORK180

Fiscal Year 2025 Budget

Proposed Budget

	2024 Projection	(1) 2025 Preliminary Budget	(2) 2025 2 Month Budget	(3) 2025 Allocation Change Budget
Operating revenue				
Medicaid	\$ 154,877,018	\$ 158,519,143	\$ 26,419,857	\$ 167,869,162
Healthy Michigan	15,661,948	14,478,053	2,413,009	14,478,053
Capitation settlement	19,324,604	11,066,374	1,844,396	1,716,355
CCBHC revenue	24,143,606	31,028,710	5,171,452	31,028,710
General fund	7,642,378	7,642,378	1,273,730	7,642,378
Grants	17,161,951	15,251,505	2,541,918	15,251,505
Local	8,093,694	9,027,364	1,504,561	9,027,364
Total operating revenue	\$ 246,905,199	\$ 247,013,527	\$ 41,168,921	\$ 247,013,527
Expenses				
Provider network service costs	186,827,044	\$ 174,694,822	\$ 29,115,804	\$ 174,694,822
Direct run services	25,120,830	28,168,647	4,694,775	28,168,647
Grants	13,783,014	13,274,784	2,212,464	13,274,784
Earned contracts	2,321,473	3,049,208	508,201	3,049,208
Board administration and access center	22,155,739	22,218,672	3,703,112	22,218,672
Total operating expenses	\$ 250,208,099	\$ 241,406,132	\$ 40,234,355	\$ 241,406,132
Total Revenue over Expenditures	\$ (3,302,901)	\$ 5,607,394	\$ 934,566	\$ 5,607,394

(1) The preliminary budget includes the draft revenue projections provided by the Lakeshore Regional Entity and Network180's anticipated expenses, however a significant capitation settlement need remains. Network180 awaits final revenue projections from MDHHS before making further changes.

(2) Due to the uncertainty of the final revenue available, Network180 is considering adopting a 2 month budget. This column is 2 months of the preliminary budget column. This approach would allow further information to be finalized and the budget to be amended to a full year budget in November 2024.

(3) The Lakeshore Regional Entity currently allocates revenue to member CMHSPs based on the actuarial Per Member Per Month method that MDHHS uses to fund the PIHP system. While that method is certified as actuarially sound between MDHHS and the LRE, it is not actuarially sound between a PIHP and its member CMHSPs. Network180 would like to consider alternative funding allocation models between the LRE and its member CMHSPs that better aligns revenue with medical necessity.