



Michigan Health Endowment Fund Annual Board Meeting

February 11, 2021

Zoom Meeting

The mission of the Michigan Health Endowment Fund is to improve the health of Michigan residents, with special emphasis on the health and wellness of children and seniors, while reducing the cost of health care.

1:00 p.m. - 1:10 p.m.

Opening: Tim Damschroder

- Call to order of board meeting
- Roll call
- Review of agenda
- Review of November 12, 2020 minutes
- Chairman's report

1:10 p.m. – 1:15 p.m.

Public Comment

Public Comment: Five-minute limitation for a single representative of an organization; three minutes for individuals representing themselves

1:15 p.m. – 1:20 p.m.

CEO Report: Paul Hillegonds

1:20 p.m. – 1:30 p.m.

Election of Officers: Tim Damschroder

- Chair
- Vice Chair
- Treasurer
- Secretary

1:30 p.m. – 1:40 p.m.

Annual Appointment of Board Committees: Sue Jandernoa,

1:40 p.m. – 1:50 p.m.

Program Successes: Terry Gardner, Program Directors

1:50 p.m. – 2:00 p.m.

Investment and Audit Committees: Keith Pretty

- Treasurer's report
- Financial statements
- Resolution regarding Medigap reserve funds

2:00 p.m. – 2:10 p.m.

Executive and Compensation Committee: Tim Damschroder

- Revised 2021 budget
- Resolution to approve revised budget

2:10 p.m.

Adjourn

Michigan Health Endowment Fund
Board Meeting
November 12, 2020
Zoom Meeting

Meeting Minutes

Call to order:

The board meeting of the Michigan Health Endowment Fund was called to order at 2:00 p.m. by Chairman Tim Damschroder.

Roll call:

A quorum was determined based on the presence of the following board members:

Board Members present:

Tim Damschroder
Sue Jandernoa
Keith Pretty
Rob Fowler
Michael Williams
Tina Reynolds
Henry Veenstra
Zaineb Hussein
Kathy Boles

Others present:

Paul Hillegonds
Terry Gardner
Julie Skubik
Duane Tarnacki

Approval of agenda:

Chairman Damschroder asked if there were any comments regarding the agenda, which was approved without objection.

Public Comment:

There was no public comment.

Chairman's Report :

Chairman Damschroder thanked the board members for their participation in the board retreat and strategic planning sessions that were held prior to the meeting. Chairman Damschroder welcomed new Board Member Kathy Boles. He also reported that

Michael Williams and Henry Veenstra have been re-appointed by the Executive Office to serve on the Health Fund Board of Directors.

CEO Report :

Mr. Hillegonds thanked board members and staff for their time and support in preparation of the strategic planning process. Mr. Hillegonds welcomed Kathy Boles and acknowledged her state and national leadership in advocating for older adults. Mr. Hillegonds reported on Senior Fellow Janet Olszewski's plans to retire in December and expressed his appreciation for her exceptional service to the Health Fund. He thanked the Grantmaking Committee for their review of the Healthy Aging and SPEI grant recommendations. He also reported that the 2019 Annual Report is available and highlights information on 2019 grantmaking and lessons learned from community partners.

Consent Agenda Items:

Mr. Williams moved to approve the consent agenda items and Mr. Pretty seconded. The motion passed 9-0.

Upon motion made, seconded and carried, the following resolutions relating to the consent agenda were approved:

RESOLVED, that the minutes of the meeting held on August 13, 2020 were approved as presented.

RESOLVED, that the Investment Committee report as presented be and it hereby is accepted and approved.

RESOLVED, that the September 2 financial statements be and they hereby are accepted as presented.

RESOLVED, that the preliminary budget for calendar year 2021 be and it hereby is approved.

RESOLVED, that the resolution to allocate 2020 amounts to endowment and operating funds is hereby approved.

RESOLVED, that the election of officers and committee assignments be, and they hereby are approved as presented.

Grantmaking Committee:

Board Member Jandernoa reported that the Grantmaking Committee met on October 28, 2020 to review Healthy Aging and Special Projects and Emerging Ideas proposals and other program staff recommendations. The committee recommended 26 proposals totaling \$8.3 million in Healthy Aging grant funding. Also, the committee recommended

the following: 11 Special Projects and Emerging Ideas proposals totaling \$4.2 million; 4 Behavioral Health proposals totaling \$274,824; 1 Nutrition and Healthy Lifestyles proposal totaling \$500,000; and 2 Community Health Impact proposals totaling \$100,000. Program Director Kari Sederburg outlined the review process and presented the proposals.

Listed below are the recommended proposals.

2020 HEALTHY AGING PROPOSALS RECOMMENDED FOR FUNDING

	Applicant	Project Title	Amount Recommended
1	Association of Chinese Americans, Inc. (ACA)	Caregiver Hub: Supporting Asian American Caregivers	\$208,405
2	Central Michigan University	Living FREE: Fall Reduction by Education and Empowerment	\$387,144
3	Central Michigan University	Michigan Interdisciplinary Palliative Care Training Network	\$199,944
4	Detroit Area Agency on Aging	Inclusive Health Care	\$157,943
5	Epilepsy Foundation of Michigan	Optimizing Health Outcomes for Older Adults with Epilepsy	\$160,000
6	Henry Ford Health System	Post-ICU Senior Brain Health Initiative	\$499,955
7	Huron Memorial Hospital d/b/a/ McLaren Thumb Region	Healthcare Where You Are	\$340,000
8	Matrix Human Services	Matrix Center - Healthy Senior Living Initiative	\$381,150
9	Metro Solutions Inc.	Eldercaring Coordination	\$200,000
10	Michigan Elder Justice Initiative	Home and Community Based Services Ombudsman Program	\$493,340
11	Michigan Health Council	The Power of Understanding: Health Literacy & Older Adults	\$484,233
12	Michigan Health Improvement Alliance	ARM4Health (Achieving the Right Medications for Health)	\$477,120

	Applicant	Project Title	Amount Recommended
13	Michigan State University	Virtual Table: Coordinating Care through Technology in Aging	\$199,166
14	Michigan Technological University	In-Home Vision Screening in Underserved Seniors	\$126,470
15	Oakland University	Technology and Reimbursement Innovation of HOP-UP-PT	\$321,075
16	Presbyterian Villages of Michigan Foundation	Affordable Assisted Living for Low & Moderate Income Seniors	\$165,800
17	Region IV Area Agency on Aging	Southwest Michigan Care Continuum Transformation Strategy	\$500,000
18	Samaritas	Samaritas C.A.R.E.S. Program	\$497,081
19	Spectrum Health Foundation	Healthy Aging with Medically Tailored Meals	\$499,713
20	The Regents of the University of Michigan	Healthy Lifetime: Building Resilience to Age in Place	\$489,682
21	The Regents of the University of Michigan	Partnership for Accelerating Telemental Health for MiSeniors	\$199,991
22	Valley Area Agency on Aging	Valley Area Agency on Aging Telehealth Project	\$500,000
23	Van Buren/Cass District Public Health Department	Aging Health Equity & Policy Planning Project	\$200,000
24	Wayne State University	Financial Vulnerability Tools in Geriatric Medicine	\$152,231
25	Wayne State University	Supporting African American Older Adult Caregivers	\$221,992
26	William Beaumont Hospital	Food is Medicine: Medically Tailored Meals	\$335,990

2020 SPECIAL PROJECT & EMERGING IDEAS PROPOSALS RECOMMENDED FOR FUNDING

	Applicant	Project Title	Amount Recommended
1	Area Agency on Aging of Northwest Michigan	Connected2Care 2.0	\$300,000
2	Benefits Data Trust	Increasing Benefits Access for Medicaid Participants Age 50+	\$200,000
3	Michigan Department of Education	MDE's CoP: Systemic Social & Emotional Learning	\$500,000
4	Michigan Department of Health and Human Services	Care Transition Hospital Readmission Reduction Expansion	\$169,934
5	Michigan Department of Health and Human Services	Children's Behavioral Health System Reform	\$325,000
6	Michigan Department of Health and Human Services	Developmental Behavioral Treatment in Hospitals	\$500,000
7	Michigan Department of Health and Human Services	Infant and Early Childhood Mental Health Consultation	\$499,036
8	Michigan Department of Health and Human Services	SUD User Role Added to CC360 and eConsent Integration	\$500,000
9	Michigan Public Health Institute	Assessing Hospital and Health Systems to Promote Equity	\$500,000
10	Michigan State Medical Society Foundation	Optimize Medication Therapy Management for Seniors	\$280,200
11	The Regents of the University of Michigan	Pediatric Sickle Cell Disease Improvement Collaborative	\$468,048

2020 BEHAVIORAL HEALTH PROPOSALS RECOMMENDED FOR FUNDING

	Applicant	Project Title	Amount Recommended
1	Child and Family Charities	Project Restore Hope	\$75,000
2	Corktown Health Center	Suicide Prevention at Michigan's First LGBTQ+ Medical Home	\$75,000
3	MidMichigan Health Foundation	Suicide Prevention in Rural Health Clinics	\$75,000
4	Southwest Counseling Solutions	Southwest Counseling Solutions Care Team Pilot to Prevent Teen Suicide	\$49,824

2020 NUTRITION & HEALTHY LIFESTYLES PROPOSAL RECOMMENDED FOR FUNDING

	Applicant	Project Title	Amount Recommended
1	Kids' Food Basket	Hunger Relief, Nutrition Education and Healthy Food Access	\$500,000

2020 COMMUNITY HEALTH IMPACT PROGRAM PROPOSALS RECOMMENDED FOR FUNDING

	Applicant	Project Title	Amount Recommended
1	Black Mothers' Breastfeeding Association	Michigan Community-based Doula Summit	\$50,000
2	Bridging Communities, Inc.	The BCI Volunteer Training Initiative	\$50,000

Ms. Jandernoa asked all board members to identify any of the recommended grants where he/she might have a conflict of interest. Chairman Damschroder stated his conflict regarding the Henry Ford Health System proposal and wished to abstain from the vote on this grant.

Mr. Fowler moved, and Mr. Veenstra seconded, to approve the 43 grants listed above which presented no conflicts of interest for board members. The vote passed 9-0.

Next, Ms. Jandernoa moved to approve the recommended grant to the Henry Ford Health System and Mr. Williams seconded. Mr. Damschroder abstained. The vote passed 8-0.

Adjournment

The meeting was adjourned at 2:45 p.m.

Respectfully submitted,

Julie Skubik
Secretary of the meeting

MICHIGAN HEALTH ENDOWMENT FUND

PROPOSED BOARD COMMITTEES

February 2021

Executive and Compensation Committee

Sue Jandernoa- Chair

Rob Fowler- Vice Chair

Keith Pretty - Treasurer

Michael Williams - Secretary

Investment and Audit Committees

Keith Pretty- Chair

Tim Damschroder

Henry Veenstra

Jon Braeutigam (Investments only)

Grantmaking Committee - BH, Aging and SPEI

Rob Fowler – Chair

Kathy Boles – Vice Chair

Tina Reynolds

Tim Damschroder

Keith Pretty

Sue Jandernoa

Grantmaking Committee – NHL and CHI

Rob Fowler - Chair

Tina Reynolds – Vice Chair

Zaineb Hussein

Michael Williams

Henry Veenstra

Sue Jandernoa

Governance Committee

Tina Reynolds – Chair

Michael Williams

Henry Veenstra

Zaineb Hussein

HEALTH FUND SUCCESSES

Welcome to 2021! As the new year is a time of transformation, we wanted to share some of the noteworthy transformation taking place thanks to the Health Fund's work with the State of Michigan. So, to kick off the year in updates, here are some recent developments growing from our partnership with MDHHS and other departments:

[MDHHS launches streamlined renewal forms making it simpler to keep critical benefits during COVID-19](#)

We've shared previously about [Project Re:form](#), in which MDHHS reworked their long and cumbersome assistance application to feature plain language and a user-friendly design. As a result, residents and staff alike spent less time on the forms and more time connecting to valuable resources. We also funded the next phase of work, which reimagined the post-eligibility experience through the MI Bridges online platform. Those efforts led directly to the latest improvement: a simplified renewal process that saves time, reduces errors, and increases completion rates. And through a 2019 Special Projects grant, MHDDS is working to achieve same-day processing for assistance applications.

[Michigan Model for Health curriculum is now online](#)

This comprehensive school health curriculum for students K-12 is designed to help students make healthy choices today and in the future. Previously it existed only in hard copy large manuals; through a 2017 Special Projects grant the Health Fund supported moving it online. The digital format makes the curriculum more accessible and user friendly for educators and allows for more timely additions and revisions. More than one third of Michigan students haven't been in a classroom for nearly a year, making the curriculum's online presence, including web-based lessons and online teacher resources, exceptionally valuable.

[MDHHS partners with GetSetUp to help residents cope with COVID-19 separation during the holidays](#)

Since the beginning of the pandemic, aging leaders have worked tirelessly to support older adults who are isolated and struggling with their mental and emotional health. Last fall we funded MDHHS to launch GetSetUp, a safe, interactive learning environment designed specifically for older adults to connect with others online. More than 20,000 older adults in Michigan have used GetSetUp, and due to the platform's success, it's being retooled to help older adults find resources by counter, register for the COVID-19 vaccine, and more.

[Gov. Whitmer receives recommendations from Food Security Council](#)

Laurie Solotorow serves on the governor's Food Security Council, which presented their draft report to Governor Whitmer in early November. The report makes recommendations related to food access and distribution, infrastructure for food and nutrition programs, and the food supply chain. Now, the Council is moving forward in small workgroups to provide detailed recommendations specific to healthcare, food

supply, racial disparities, special populations, and policy. Laurie is also co-chairing the healthcare workgroup!

[New Fee-For-Service Coverage for Alcohol Use Disorder and Opioid Use Disorder \[PDF\]](#)

Most physicians in Michigan are not associated with the PIHPs, the health plans that cover substance use disorder for the Medicaid population. As a result, doctors couldn't get contracts or be reimbursed for this kind of care. The new proposed policy, which the Health Fund encouraged based on our grantees' experiences, will improve integration and access to SUD treatment within the primary care setting. As our [Behavioral Health Access Study](#) found, 80% of people with a SUD in Michigan are not receiving treatment—this is a huge step toward closing that gap.

[341 Michigan K-12 Schools Awarded Building Healthy Communities Program to Improve Children's Health](#)

Building Healthy Communities is a program to create healthier school environments across Michigan. In addition to the Health Fund, funding partners include MDHHS, the Michigan Department of Education, Blue Cross Blue Shield of Michigan, and several nonprofits and universities. The initiative provides teachers, administrators, and students with resources that support healthy eating and physical activity, which in turn help improve physical health, mental health, and academic achievement. This year the Building Health Schools program will incorporate virtual programming, address food insecurity related to COVID-19, and serve 158,000 students in Michigan, with 74% of participating schools in under-resourced communities.

In other State-related news, Lynda Zeller has been appointed to serve on the [Justice for All Commission](#), which will "provide a defined and permanent infrastructure to improve the quality and access to civil justice in Michigan." Lynda's term is for the year of 2021.

As you can see from just this recent sampling, our funding and engagement with the State is showing up regularly in their health-related achievements! We're proud of this meaningful partnership and how the Health Fund continues to support systemic impacts that benefit Michigan residents.

Nutrition & Healthy Lifestyles

2021 Virtual Grantee Series

<https://us02web.zoom.us/j/82910448101>

Agenda for the day

February 4th, 2020 9:30AM – 12:00PM

	Time/Room
Welcome and Introduction	9:30am
Lessons Learned from Fellow Grantees	9:45am
<i>Culinary Medicine</i>	
Megan McDermott, <i>Groundwork Center</i>	
<i>Physical Activity</i>	
Dr. Rebecca Hasson, <i>University of Michigan</i>	
<i>Fresh Prescription for Children</i>	
Dr. Amy Saxe-Custack, <i>Michigan State University</i>	
<i>Henry's Groceries</i>	
Rev. Alexander Plum, MPH, CHES, <i>Henry Ford Health System</i>	
Break	10:45am
Regroup	10:55am
Meeting Grantees with Similar Interventions	11:00am
Culinary Medicine	Room 1
Fitness and Adaptive Sports	Room 2
Fresh Prescription	Room 3
School-Based Nutrition and Wellness	Room 4
Wrap-Up	11:50am
Closing Remarks – <i>Laurie Solotorow</i>	

*Thank you for your participation in today's convening and for partnering with us to work toward a healthier Michigan.

MICHIGAN HEALTH ENDOWMENT FUND

To: Health Fund Board of Directors
From: Keith Pretty
Date: February 11, 2021
Re: Treasurer's Report

Behind this report you will find the final, pre-audit financial statements for the Health Fund for 2020. Total Health Fund assets stand at slightly over \$300 million, with the long-term endowment portfolio at \$240 million. Following two consecutive years of strong returns in the stock markets, the endowment portfolio is slightly above our long-term baseline projections. The Investment Committee will be meeting with our investment advisors in March to review the portfolio in preparation for receiving the 2021 contribution from Blue Cross Blue Shield of Michigan.

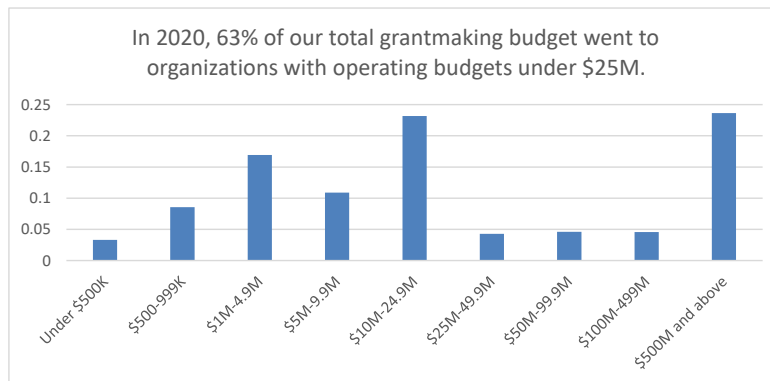
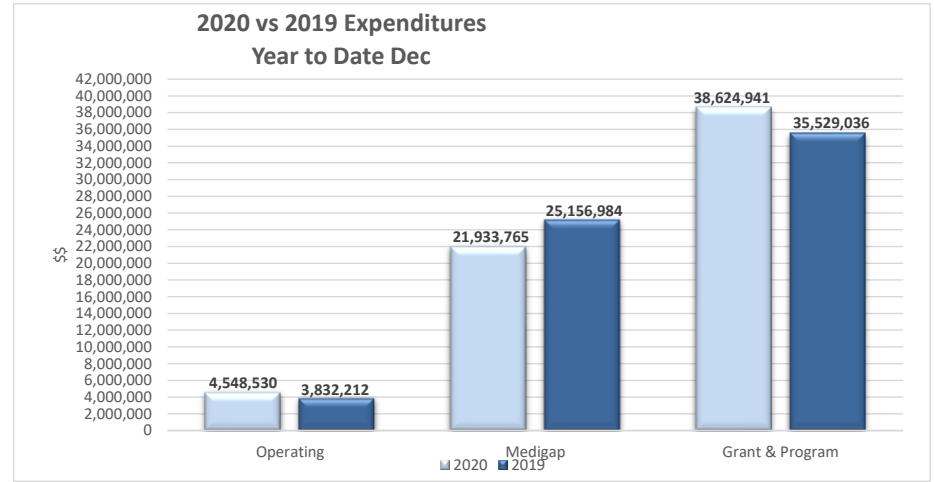
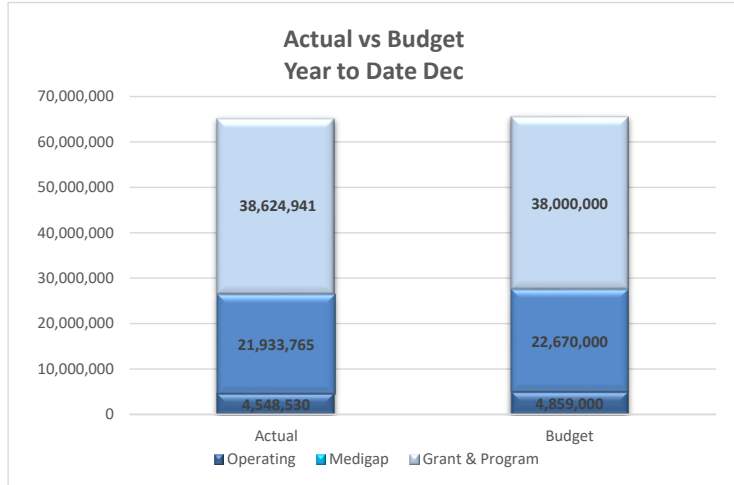
A resolution to allocate Medigap related reserve funds is included in the board materials. Several years ago, a reserve was established to fund the excess costs of providing the Medigap subsidy program over and above our normal operating funding. This resolution is considered annually over the life of the Medigap subsidy program, and the wind down of the Medigap subsidy program in the next two years is expected to dovetail with the depletion of the reserve.

Representatives of the Health Fund's auditors, George Johnson & Company, conducted their fieldwork in late January and early February. They are currently in the process of completing their work and drafting the financial statements.

The auditors plan to formally present the audited financial statements and the results of their work to the Audit Committee. The timing of this presentation is subject to finalizing their work on the partnership investments in the Endowment Portfolio. The tax return will be extended due to the need to receive K-1's from partnership investments, particularly our foreign investments. When completed, the return will be available for the board to review.

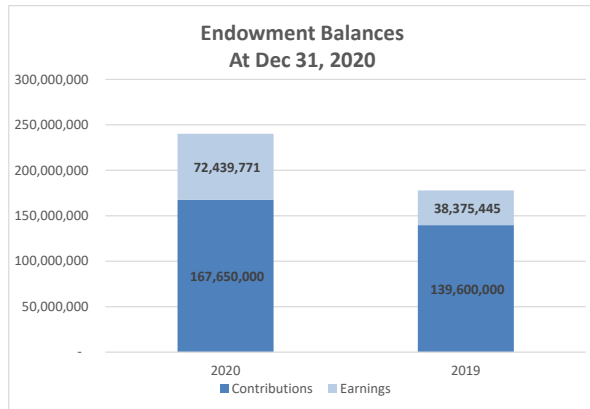
**Michigan Health Endowment Fund
Operating and Program Dashboard Statistics
December 31, 2020**

Financial Metrics



**Michigan Health Endowment Fund
Investment Dashboard Statistics
December 31, 2020**

Endowment Portfolio



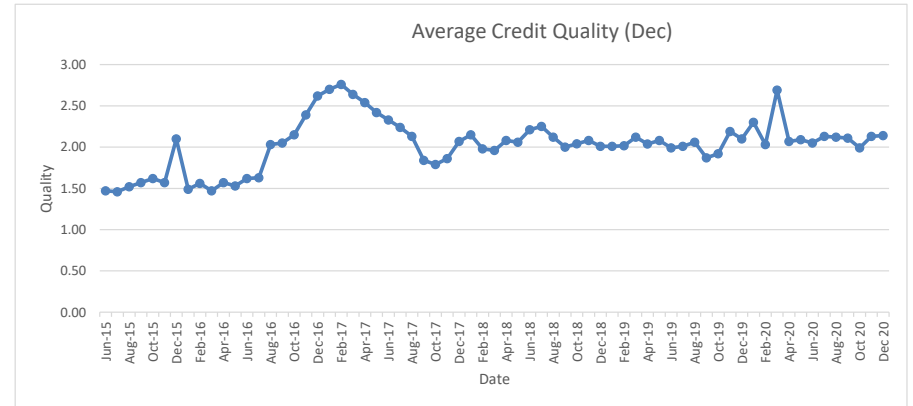
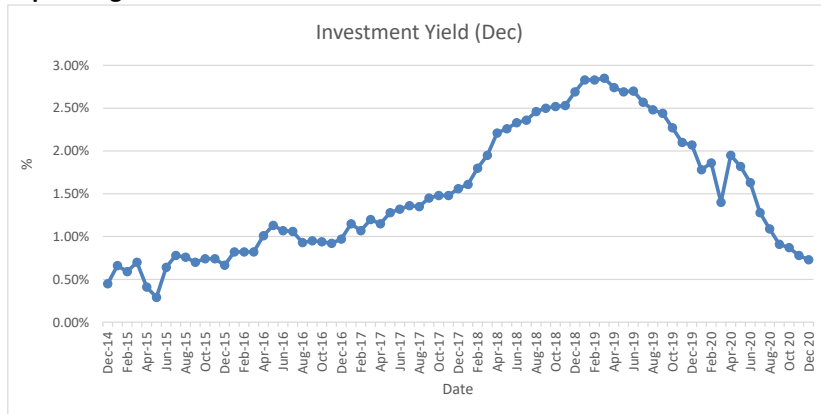
Asset Allocation @ 12-31-20

	<u>Actual</u>	<u>Target</u>	<u>Difference</u>
US Equity	40.8%	34%	6.8%
Foreign Developed	22.6%	21%	1.6%
Emerging Markets	6.5%	6%	0.5%
Real/Diversified	8.5%	9%	-0.5%
Fixed Income*	14.9%	15%	-0.1%
Private Equity	6.8%	15%	-8.2%
	<u>100.0%</u>	<u>100.00%</u>	

* includes cash and receivables

		<u>Actual</u>	<u>Benchmark</u>
Performance	YTD	12.84%	13.22%
	3 yrs (ann.)	8.15%	8.68%

Operating Portfolio



**Michigan Health Endowment Fund
Statement of Financial Position
December 31, 2020 and 2019**

	2020		2019	
	OPERATING	ENDOWMENT	OPERATING	ENDOWMENT
<u>ASSETS</u>				
Current assets				
Checking - Chemical Bank	\$ 1,465,841		\$ 1,296,051	
Huntington Investments, at FMV	56,165,231		60,322,806	
Northern Trust Investments		\$ 239,875,043		\$ 177,807,622
Accrued interest receivable	291,977	214,728	444,559	167,823
Prepaid expenses	1,938,547		1,834,459	
Accounts receivable - other			6,000	
Total current assets	59,861,596	240,089,771	63,903,875	177,975,445
Furniture and equipment, net of depreciation	272,783		281,507	
Other assets				
Security Deposits	844		844	
	\$ 60,135,223	\$ 240,089,771	\$ 64,186,226	\$ 177,975,445
<u>LIABILITIES AND NET ASSETS</u>				
Current liabilities				
Accounts payable and accrued expenses	\$ 511,025		\$ 718,710	
Other current liabilities	350,459		291,386	
Total current liabilities	861,484		1,010,096	
Other liabilities				
Grants payable	18,097,275		15,371,333	
Total liabilities	18,958,759		16,381,429	
Net assets				
Without donor restriction				
Undesignated	23,304,797	\$ 65,875,445	28,634,833	\$ 37,875,032
Designated	24,500,000		24,500,000	
Current Year Income	(6,628,333)	33,662,683	(5,330,036)	28,000,413
Total Net Assets Without Donor Restriction	41,176,464	99,538,128	47,804,797	65,875,445
With donor restriction				
Endowment Funds		110,100,000		82,050,000
Healthy Aging Initiative		2,401,643		2,000,000
Current Year Income		28,050,000		28,050,000
Total Net Assets With Donor Restriction	-	140,551,643	-	112,100,000
Total net assets	41,176,464	240,089,771	47,804,797	177,975,445
	\$ 60,135,223	\$ 240,089,771	\$ 64,186,226	\$ 177,975,445

Michigan Health Endowment Fund
Statement of Activities
For the twelve months ending December 31, 2020 and 2019

	2020			2019	\$ Change
	Operating	Endowment	Total	Total	
Revenue					
Direct Public Support	\$ 85,323,000	\$ -	\$ 85,323,000	\$ 85,000,000	\$ 323,000
Investment income	1,205,903	34,064,326	35,270,229	30,238,609	5,031,620
Total revenue	<u>86,528,903</u>	<u>34,064,326</u>	<u>120,593,229</u>	<u>115,238,609</u>	<u>5,354,620</u>
Expenses					
Grants awarded	35,349,963		35,349,963	33,255,575	2,094,388
Medigap subsidy	20,155,478		20,155,478	23,234,960	(3,079,482)
Medigap servicing	1,778,287		1,778,287	1,922,024	(143,737)
Grant program support	3,273,978		3,273,978	2,273,461	1,000,517
Legal and accounting fees	80,801		80,801	70,722	10,079
Outside contract services	767,798		767,798	625,748	142,050
Salaries and benefits	3,295,951		3,295,951	2,822,733	473,218
Office related expenses	217,486		217,486	125,670	91,816
Insurance expense	30,437		30,437	29,150	1,287
Office supplies and misc	104,395		104,395	78,257	26,138
Membership and dues	31,525		31,525	44,098	(12,573)
Travel and meetings	21,137		21,137	35,834	(14,697)
Total expenses	<u>65,107,236</u>	<u>-</u>	<u>65,107,236</u>	<u>64,518,232</u>	<u>589,004</u>
Other Income (Expense)					
Transfer to Endowment	<u>(28,050,000)</u>	<u>28,050,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	<u>\$ (6,628,333)</u>	<u>\$ 62,114,326</u>	<u>\$ 55,485,993</u>	<u>\$ 50,720,377</u>	<u>\$ 4,765,616</u>

Michigan Health Endowment Fund
Statement of Activities - Operating Fund - Budget vs Actual
For the twelve months ending December 31, 2020

	Actual One Month Ending 12/31/20	Budget One Month Ending 12/31/20	\$ Over (Under) Budget	Actual Twelve Months Ending 12/31/20	Budget Twelve Months Ending 12/31/20	\$ Over (Under) Budget
Revenue						
Direct Public Support	\$ 10,000	\$ -	\$ 10,000	\$ 85,323,000	\$ 85,000,000	\$ 323,000
Investment income	23,902	80,000	(56,098)	1,205,903	1,360,000	(154,097)
Total revenue	<u>33,902</u>	<u>80,000</u>	<u>(46,098)</u>	<u>86,528,903</u>	<u>86,360,000</u>	<u>168,903</u>
Expenses						
Grants awarded	488,520	-	488,520	35,349,963	32,700,000	2,649,963
Medigap subsidy	1,605,714	1,700,000	(94,286)	20,155,478	20,800,000	(644,522)
Medigap servicing	84,184	155,000	(70,816)	1,778,287	1,870,000	(91,713)
Grant program support	25,401	700,000	(674,599)	3,273,978	5,300,000	(2,026,022)
Legal and accounting fees	13,832	6,500	7,332	80,801	86,000	(5,199)
Outside contract services	72,364	52,050	20,314	767,798	954,000	(186,202)
Salaries and benefits	286,775	284,778	1,997	3,295,951	3,350,000	(54,049)
Office related expenses	18,288	18,500	(212)	217,486	222,000	(4,514)
Insurance expense	2,275	3,000	(725)	30,437	36,000	(5,563)
Office supplies and misc	24,164	11,950	12,214	104,395	118,000	(13,605)
Membership and dues	(7,500)	-	(7,500)	31,525	51,000	(19,475)
Travel and meetings	180	2,000	(1,820)	21,137	42,000	(20,863)
Total expenses	<u>2,614,197</u>	<u>2,933,778</u>	<u>(319,581)</u>	<u>65,107,236</u>	<u>65,529,000</u>	<u>(421,764)</u>
Other Income (Expense)						
Transfer (to) from Endowment	-	100,000	(100,000)	(28,050,000)	(27,950,000)	(100,000)
Change in net assets	<u>\$ (2,580,295)</u>	<u>\$ (2,753,778)</u>	<u>\$ 273,483</u>	<u>\$ (6,628,333)</u>	<u>\$ (7,119,000)</u>	<u>\$ 590,667</u>

MICHIGAN HEALTH ENDOWMENT FUND
OPERATING PORTFOLIO HOLDINGS
DECEMBER 31, 2020

Description	Industry	Credit Rating	Maturity	Yield	Market Value	Principal Cost	\$ Gain/Loss
FIDELITY GOVT MMKT	Money Market Fund	AAA	Daily	0.03%	\$ 1,337	\$ 1,337	\$ -
					\$ 1,337	\$ 1,337	\$ -

ASSET BACKED

GNMA 2020-134 AB	Government	AAA	1.75 Years	2.15%	\$ 400,371	\$ 340,929	\$ 59,442
GNMA 2020-134 AB	Government	AAA	1.90 Years	1.92%	\$ 1,132,627	\$ 1,139,639	\$ (7,012)
					\$ 1,532,998	\$ 1,480,568	\$ 52,430

COMMERCIAL PAPER

SOUTHERN CAL EDISON	Utilities	A2 / P2	1/8/2021	0.28%	\$ 999,982	\$ 999,495	\$ 488
CATHOLIC HEALTH	Healthcare Facilities	A2 / P2	1/14/2021	0.27%	\$ 1,921,940	\$ 1,919,998	\$ 1,942
SINOPEC CENTURY OIL	Exploration & Production	A1 / P1	1/25/2021	0.57%	\$ 2,060,885	\$ 2,054,981	\$ 5,905
BROWN FORMAN CORP	Food & Bev	A2 / P1	1/25/2021	0.22%	\$ 1,434,920	\$ 1,433,423	\$ 1,497
SINOPEC CENTURY OIL	Exploration & Production	A1 / P1	2/1/2021	0.57%	\$ 999,929	\$ 997,127	\$ 2,802
NATWEST MARKETS	Financial Services	A2 / P2	2/1/2021	0.56%	\$ 1,838,869	\$ 1,833,490	\$ 5,380
HSBC	Banks	A2 / P1	2/5/2021	0.34%	\$ 981,921	\$ 980,296	\$ 1,625
WALT DISNEY	Entertainment Content	A1 / P2	2/19/2021	0.35%	\$ 1,199,800	\$ 1,197,137	\$ 2,663
CRANE CO	Diversified Manufacturing	A2 / P2	2/23/2021	0.62%	\$ 833,850	\$ 830,510	\$ 3,340
BANK OF CHINA	Banks	A1 / P1	3/2/2021	0.26%	\$ 255,948	\$ 255,730	\$ 218
HSBC	Banks	A2 / P1	3/3/2021	0.37%	\$ 499,897	\$ 498,969	\$ 927
GLENORE	Mining	A2 / P2	3/5/2021	0.40%	\$ 515,890	\$ 515,199	\$ 691
CRANE CO	Diversified Manufacturing	A2 / P2	3/9/2021	0.47%	\$ 2,527,427	\$ 2,520,399	\$ 7,028
LLOYDS BANK	Banks	A1 / P1	3/12/2021	0.30%	\$ 1,499,645	\$ 1,496,894	\$ 2,751
HARLEY DAVIDSON	Auto Manufacturing	A2 / P2	4/6/2021	0.67%	\$ 1,014,513	\$ 1,009,757	\$ 4,756
GLENORE	Mining	A2 / P2	4/8/2021	0.42%	\$ 999,510	\$ 997,370	\$ 2,140
BCI BANK	Banks	A1 / P1	5/5/2021	0.27%	\$ 1,199,125	\$ 1,198,382	\$ 743
BANK OF CHINA	Banks	A1 / P1	5/12/2020	0.32%	\$ 1,260,029	\$ 1,259,287	\$ 742
WALT DISNEY	Entertainment Content	A1 / P2	5/17/2021	0.35%	\$ 2,498,002	\$ 2,492,947	\$ 5,055
					\$ 24,542,083	\$ 24,491,391	\$ 50,692

CORPORATE BONDS

MERCK & CO	Pharmaceuticals	A1 / AA-	1/15/2021	1.42%	\$ 1,646,102	\$ 1,646,148	\$ (45)
BERKSHIRE ENERGY	Utilities	A3 / A-	1/15/2021	1.62%	\$ 500,290	\$ 500,156	\$ 134
STANDARD CHARTER	Banks	A2 / BBB+	1/15/2021	0.94%	\$ 1,299,974	\$ 1,300,139	\$ (165)
HARLEY DAVIDSON	Auto Manufacturing	Baa2 / BBB	1/15/2021	2.08%	\$ 1,040,666	\$ 1,040,316	\$ 350
NY LIFE	Life Insurance	Aaa / AA+	1/28/2021	1.47%	\$ 2,504,350	\$ 2,502,863	\$ 1,487
HONDA MOTOR	Auto Manufacturing	A3 / A	2/12/2021	1.27%	\$ 2,555,245	\$ 2,553,084	\$ 2,161
KINDER MORGAN	Pipeline	Baa2 / BBB	3/1/2021	2.25%	\$ 1,230,000	\$ 1,232,580	\$ (2,580)
MARATHON PETROLEUM	Pipeline	Baa2 / BBB	3/1/2021	0.55%	\$ 2,885,256	\$ 2,887,230	\$ (1,974)
GENERAL MOTORS	Auto Manufacturing	Baa3 / BBB	3/1/2021	0.77%	\$ 1,628,998	\$ 1,632,622	\$ (3,624)
DANSKE	Banks	A3 / A	3/10/2021	0.49%	\$ 1,355,805	\$ 1,356,052	\$ (247)
CAMPBELL SOUP CO	Food & Bev	Baa2 / BBB-	3/15/2021	0.30%	\$ 827,806	\$ 828,138	\$ (331)
NORDEA BANK	Banks	Baa1 / A-	5/13/2021	1.16%	\$ 659,997	\$ 658,875	\$ 1,122
STATE GRID CORP	Utilities	A1 / A+	5/18/2021	0.62%	\$ 912,331	\$ 913,222	\$ (891)
MICROCHIP	Technology	Baa3 / BBB-	6/1/2021	0.36%	\$ 1,521,300	\$ 1,522,374	\$ (1,074)
ENERGY TRANSFER PARTNERS	Pipeline	Baa3 / BBB-	6/1/2021	0.32%	\$ 1,128,400	\$ 1,128,157	\$ 243
MYLAN	Pharmaceuticals	Baa3 / BBB-	6/15/2021	0.85%	\$ 4,766,652	\$ 4,769,573	\$ (2,921)
MARSH & MCLENNAN	P&C Insurance	Baa1 / A-	7/15/2021	0.21%	\$ 684,302	\$ 685,244	\$ (943)
NACF BANK	Banks	A1 / A+	9/12/2021	0.38%	\$ 2,185,026	\$ 2,187,605	\$ (2,578)
TRINITY PLC	P&C Insurance	Baa3 / BBB	9/15/2021	0.47%	\$ 756,315	\$ 757,489	\$ (1,175)
					\$ 30,088,814	\$ 30,101,866	\$ (13,052)

TOTAL: **\$ 56,165,231 \$ 56,075,162 \$ 90,069**

The Michigan Health Endowment Fund
Endowment Portfolio Holdings
December 31, 2020
(unaudited)

<u>Asset Description</u>	<u>Country/Region</u>	<u>Market Value</u>	<u>Cost</u>	<u>Unrealized G/L</u> <u>Total</u>	<u>% of Total</u>
VANGUARD INSTL TOTAL INDEX	United States	79,474,719	51,063,882	28,410,837	33.10%
ARISTOTLE CAPITAL MANAGEMENT	United States	9,243,392	8,060,445	1,182,947	3.85%
POLEN CAPITAL	United States	9,142,145	8,013,884	1,128,261	3.81%
VANGUARD DEVELOPED MARKETS INDEX, INSTL	International Region	45,722,892	37,594,143	8,128,749	19.04%
BURGUNDY ASSET MANAGEMENT	International Region	8,434,620	6,506,685	1,927,935	3.51%
GLOBAL EMERGING MARKETS FUND - STEWART	Emerging Markets Region	7,311,413	6,197,142	1,114,271	3.05%
DFA EMERGING MARKETS-VALUE	Emerging Markets Region	8,378,374	8,353,961	24,413	3.49%
T ROWE PRICE NEW ERA FUND	Real Assets - Global	6,763,032	6,824,920	(61,888)	2.82%
BROOKFIELD INVT FDS GLOBAL LISTED REAL ESTATE FD	United States	5,796,126	6,385,231	(589,105)	2.41%
LAZARD FDS INC GLOBAL LISTED INFRASTRUCTURE	International Region	7,737,536	7,585,631	151,905	3.22%
PRIVATE EQUITY		16,229,505	12,715,495	3,514,010	6.76%
LONGFELLOW	Fixed Income - U.S.	33,184,071	32,188,044	996,027	13.82%
CASH, RECEIVABLES AND OTHER		2,671,946	2,671,946	-	1.11%
		<u>240,089,771</u>	<u>194,161,409</u>	<u>45,928,362</u>	<u>100.00%</u>

MICHIGAN HEALTH ENDOWMENT FUND

**PROPOSED RESOLUTION
REGARDING MEDIGAP RESERVE**

WHEREAS, at the Health Fund's Board meetings held on January 23, 2017 and January 25, 2016, the board designated \$40 million of its accumulated Spendable Account to be reserved and designated to the Health Fund's Medicare Supplemental Insurance Subsidy ("Medigap") program, and that \$24,500,000 remains so restricted at December 31, 2020

NOW, THEREFORE, BE IT RESOLVED that \$7,000,000 of the Medigap reserve be and it hereby is released from that restriction and made available so that the funds can be used in furtherance of the Medigap program for the 2021 calendar year.

Michigan Health Endowment Fund
Statement of Activities - Operating Fund
Actual 2020 and Budgeted 2021 Calendar Years

	Actual 12 Months Unaudited FY 2020	Preliminary Budget 12 months FY 2021	Final Budget 12 months FY 2021	Difference
Revenue				
Direct Public Support	\$ 85,323,000	\$ 85,000,000	\$ 85,000,000	\$ -
Investment income (excl Endowment earnings)	1,205,903	264,000	264,000	-
Total revenue	86,528,903	85,264,000	85,264,000	-
Expenses				
Grants awarded	35,349,963	34,000,000	33,200,000	(800,000)
Medigap subsidy	20,155,478	15,600,000	14,600,000	(1,000,000)
Medigap servicing	1,778,287	1,550,000	1,512,000	(38,000)
Grant program support	3,273,978	4,000,000	5,176,000	1,176,000
Legal and accounting fees	80,801	92,000	72,000	(20,000)
Outside contract services	767,798	895,000	848,000	(47,000)
Salaries and benefits	3,295,951	3,386,000	3,400,000	14,000
Rent expenses	217,486	325,000	360,000	35,000
Insurance expense	30,437	48,000	48,000	-
Office supplies and misc	69,561	85,000	93,000	8,000
Membership and dues	31,525	55,000	69,000	14,000
Depreciation	34,834	-	54,000	54,000
Travel and meetings	21,137	40,000	44,000	4,000
Total expenses	65,107,236	60,076,000	59,476,000	(600,000)
Other Expense				
Transfer to Endowment	28,050,000	28,050,000	28,050,000	-
Transfer from Endowment	-	-	-	-
Change in Operating Fund net assets	\$ (6,628,333)	\$ (2,862,000)	\$ (2,262,000)	\$ 600,000

**MICHIGAN HEALTH ENDOWMENT FUND
PROGRAMMATIC BUDGETS
2021**

	<u>Grants</u>	<u>Technical Assistance</u>	<u>Evaluation</u>	<u>Policy and Research</u>	<u>Misc Program Support</u>	<u>Total</u>
Behavioral Health	6,800,000	225,000	350,000	750,000	125,000	8,250,000
Healthy Aging	6,800,000	100,000	100,000	1,200,000	50,000	8,250,000
Nutrition and Healthy Lifestyles	7,700,000	50,000	200,000	150,000	150,000	8,250,000
Special Projects	6,000,000					6,000,000
Community Health Impact	5,400,000	1,000,000	50,000	-	50,000	6,500,000
Unallocated	500,000			250,000		750,000
Total	33,200,000	1,375,000	700,000	2,350,000	375,000	38,000,000