

**Northeast Michigan  
Community Mental Health Authority**

CMH COMPLIANCE EXAMINATION

September 30, 2010

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**INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE WITH  
REQUIREMENTS APPLICABLE TO MEDICAID, GF AND CMHS BLOCK GRANT  
PROGRAMS AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH *CMH COMPLIANCE EXAMINATION GUIDELINES* ISSUED BY THE MICHIGAN  
DEPARTMENT OF COMMUNITY HEALTH**

To the Board of Directors  
Northeast Michigan Community Mental Health Authority

**Compliance**

We have examined the compliance of the Northeast Michigan Community Mental Health Authority (the “Authority”) with the specified requirements described in *CMH Compliance Examination Guidelines*, issued by the Michigan Department of Community Health (“MDCH”), that are applicable to its Medicaid, General Fund (“GF”) and Community Mental Health Services (“CMHS”) Block Grant Programs for the year ended September 30, 2010. Compliance with these requirements is the responsibility of the Authority’s management. Our responsibility is to express an opinion on the Authority’s compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the Authority’s compliance with specified requirements based on specified criteria established by MDCH and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Authority’s compliance with those requirements.

In our opinion, the Northeast Michigan Community Mental Health Authority complied, in all material respects, with the specified requirements referred to above that are applicable to its Medicaid, GF and CMHS Block Grant Programs for the year ended September 30, 2010. However, the results of our auditing procedures disclosed an immaterial instance of noncompliance with those requirements which is required to be reported in accordance with MDCH Compliance Examination Guidelines and which is described in the accompanying schedule of findings and questioned costs as item 2010-1.

Member of



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### **Internal Control Over Compliance**

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations and contracts applicable to its Medicaid, GF and CMHS Block Grant Programs. In planning and performing our examination, we considered the Authority's internal control over compliance with the requirements that could have a direct and material effect on its Medicaid, GF and CMHS Block Grant Programs in order to determine our examination procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with criteria established by MDCH, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of the Medicaid, GF or CMHS Block Grant Program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of the Medicaid, GF or CMHS Block Grant Program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The Authority's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Authority's response and, accordingly, we express no opinion on it.

### **Examination Schedules**

As required by CMH Compliance Examination Guidelines, we have prepared the accompanying Examined FSR Schedule and Examined Cost Settlement Schedule.

This report is intended solely for the information and use of the Authority's Board, management and the Michigan Department of Community Health, and is not intended to be and should not be used by anyone other than these specified parties.

*Dennis, Gartland & Niergarth*

May 23, 2011

**MDCH/CMHSP MANAGED MENTAL HEALTH SUPPORTS AND SERVICES CONTRACT (GF)  
FINANCIAL STATUS REPORT - ALL NON MEDICAID**

CMHSP:	NORTHEAST MICHIGAN COMMUNITY MENTAL HEALTH	FISCAL YEAR:	FY 09 / 10
		SUBMISSION TYPE:	YE Final
		SUBMISSION DATE:	3/31/2011
		Column A	Column B
		Reported	Examination Adjustment
			Adjusted Totals

A		MEDICAID SERVICES - Summary From FSR - Medicaid Worksheet	Reported	Examination Adjustment	Adjusted Totals
A	190	<b>TOTAL REVENUE</b>	-	-	-
A	290	<b>TOTAL EXPENDITURE</b>	-	-	-
A	295	<b>NET MEDICAID SERVICES SURPLUS (DEFICIT)</b>	-	-	-
A	390	<b>Total Redirected Funds</b>	-	-	-
A	400	<b>BALANCE MEDICAID SERVICES</b>	-	-	-

B		GENERAL FUND (GF)	Reported	Examination Adjustment	Adjusted Totals
B	100	<b>REVENUE</b>			
B	101	CMH Operations	1,574,374	-	1,574,374
B	102	Categorical	-	-	-
B	103	State Services	296,969	-	296,969
B	120	<b>Subtotal - Current Period General Fund Revenue</b>	1,871,343	-	1,871,343
B	121	1st & 3rd Party Collections (Not in Section 226a Funds) 100% Services	47,612	-	47,612
B	122	1st & 3rd Party Collections (Not in Section 226a Funds) 90% Services	-	-	-
B	123	Prior Year GF Carry Forward	-	-	-
B	124	ISF Abatement	4,741	-	4,741
B	140	<b>Subtotal - Other General Fund Revenue</b>	52,353	-	52,353
B	190	<b>TOTAL REVENUE</b>	1,923,696	-	1,923,696
B	200	<b>EXPENDITURE</b>			
B	201	100% MDCH Matchable Services	510,487	-	510,487
B	202	100% MDCH Matchable Services Based on CMHSP Local Match Cap	-	-	-
B	203	90% MDCH Matchable Services	1,189,837	-	1,070,853
B	204	State Services - Payments to MDCH for State Services	75,112	-	75,112
B	205	Payment into GF ISF	13,044	-	13,044
B	290	<b>TOTAL EXPENDITURE</b>	1,669,496	-	1,669,496
B	295	<b>NET GENERAL FUND SURPLUS (DEFICIT)</b>	254,200	-	254,200
B	300	<b>Redirected Funds (To) From</b>			
B	301	(TO) Medicaid - Redirected for Unfunded Medicaid Costs - <b>A331</b> (PIHP use only)			
B	302	(TO) GF Cost of ABW - <b>C301</b>	-	-	-
B	303	(TO) GF Cost of MICHild - Required Match - <b>D302</b>	(8,916)	-	(8,916)
B	304	(TO) GF Cost of MICHild - Above Required Match - <b>D303</b>	-	-	-
B	305	(TO) GF Cost of SED - Required Match - <b>E301</b>	-	-	-
B	306	(TO) GF Cost of SED - Above Required Match Screen - <b>E303</b>	-	-	-
B	307	(TO) GF Cost of SED - Not SED Waiver eligible - <b>E305</b>	-	-	-
B	308	(TO) GF Cost of Children's Wavier - <b>F301</b>	(12,273)	-	(12,273)
B	309	(TO) Allowable GF Cost of Injectable Medications - <b>G301</b>	(5,817)	-	(5,817)
B	310	(TO) CMHSP to CMHSP Earned Contracts - <b>J304</b> (explain - section Q)	(6,232)	-	(6,232)
B	311	(TO) Substance Abuse - <b>L301</b>	-	-	-
B	312	FROM SED Waiver - ARRA / stimulus - <b>E307</b>	-	-	-
B	313	FROM CMHSP to CMHSP Earned Contracts - <b>J302</b>	-	-	-
B	314	FROM Non-MDCH Earned Contracts - <b>K302</b>	-	-	-
B	330	<b>Subtotal Redirected Funds rows 301 - 314</b>	(33,238)	-	(33,238)
B	331	FROM Local Funds - <b>M302</b>	56,289	-	56,289
B	332	FROM Risk Corridor - <b>N303</b>	-	-	-
B	390	<b>Total Redirected Funds</b>	23,051	-	23,051
B	400	<b>BALANCE GENERAL FUND</b>	277,251	-	277,251

**OTHER GF CONTRACTUAL OBLIGATIONS**

C		ADULT BENEFIT WAIVER (ABW) - MENTAL HEALTH	Reported	Examination Adjustment	Adjusted Totals
C	190	Revenue	170,075	-	170,075
C	290	Expenditure	113,346	-	113,346
C	295	<b>NET ADULT BENEFIT WAIVER SURPLUS (DEFICIT)</b>	56,729	-	56,729
C	300	<b>Redirected Funds (To) From</b>			
C	301	FROM General Fund - <b>B302</b>	-	-	-
C	302	FROM Local Funds - <b>M303</b>	-	-	-
C	390	<b>Total Redirected Funds</b>	-	-	-
C	400	<b>BALANCE ADULT BENEFIT WAIVER (cannot be &lt; 0)</b>	56,729	-	56,729

**MDCH/CMHSP MANAGED MENTAL HEALTH SUPPORTS AND SERVICES CONTRACT (GF)  
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	SUBMISSION DATE:	3/31/2011	REPORTING
		Column A	Column B

			Reported	Examination Adjustment	Adjusted Totals
<b>D</b>	<b>MICHILD - MENTAL HEALTH</b>				
D	1	Enter Current MICHild FFP	0.7423		
D	190	Revenue	29,646	-	29,646
D	290	Expenditure	34,598	-	34,598
D	295	<b>NET MICHILD SURPLUS (DEFICIT)</b>	(4,952)	-	(4,952)
D	300	<b>Redirected Funds (To) From</b>			
D	301	Federal share applied	25,682		
D	302	FROM General Fund - Required Match - B303	8,916	-	8,916
D	303	FROM General Fund - Above Required Match - B304	-	-	-
D	304	FROM Local Funds - M304	-	-	-
D	390	<b>Total Redirected Funds</b>	8,916	-	8,916
D	400	<b>BALANCE MICHILD (cannot be &lt; 0)</b>	3,964	-	3,964

**FEE FOR SERVICE MEDICAID**

<b>E</b>					
<b>E</b>	<b>SED WAIVER</b>				
E	1	Enter Current Year SED Waiver FFP	0.5638		
E	2	Enter Subsequent Year SED Waiver FFP	0.5810		
E	3	Enter Enhanced SED Waiver FFP			
E	100	<b>REVENUE</b>			
E	101	Revenue FFS Medicaid - Federal portion received at current year FFP rate	-	-	-
E	102	Revenue FFS Medicaid - Federal portion received at subsequent year FFP rate	-	-	-
E	103	Revenue FFS Medicaid - Federal portion received at enhanced FFP rate	-	-	-
E	104	Revenue FFS Medicaid - American Recovery & Reinvestment Act (ARRA / stimulus) increase	-	-	-
E	190	<b>TOTAL REVENUE</b>	-	-	-
E	200	<b>EXPENDITURE</b>			
E	201	Expenditure - Federal Reimbursable	-	-	-
E	202	Expenditure - Not SED waiver eligible	-	-	-
E	290	<b>TOTAL EXPENDITURE</b>	-	-	-
E	295	<b>NET SED WAIVER SURPLUS (DEFICIT)</b>	-	-	-
E	300	<b>Redirected Funds (To) From</b>			
E	301	FROM General Fund - Required Match - B305	-	-	-
E	302	FROM Local Funds - Required Match - M305	-	-	-
E	303	FROM General Fund - Above Required Match Screen - B306	-	-	-
E	304	FROM Local Funds - Above Required Match Screen - M306	-	-	-
E	305	FROM General Fund - Not SED Waiver eligible - B307	-	-	-
E	306	FROM Local Funds - Not SED Waiver eligible - M307	-	-	-
E	307	(TO) General Fund - ARRA / stimulus increase - B312	-	-	-
E	308	(TO) Local Funds - ARRA / stimulus increase - M314	-	-	-
E	390	<b>Total Redirected Funds</b>	-	-	-
E	400	<b>BALANCE SED WAIVER (must = 0)</b>	-	-	-

<b>F</b>					
<b>F</b>	<b>CHILDREN'S WAIVER</b>				
F	190	Revenue	57,856	-	57,856
F	290	Expenditure	70,129	-	70,129
F	295	<b>NET CHILDREN'S WAIVER (cannot be &gt; 0)</b>	(12,273)	-	(12,273)
F	300	<b>Redirected Funds (To) From</b>			
F	301	FROM General Fund - B308	12,273	-	12,273
F	302	FROM Local Funds - M308	-	-	-
F	303	FROM Activity not otherwise reported - O301	-	-	-
F	390	<b>Total Redirected Funds</b>	12,273	-	12,273
F	400	<b>BALANCE CHILDREN'S WAIVER (must = 0)</b>	-	-	-

<b>G</b>					
<b>G</b>	<b>INJECTABLE MEDICATIONS</b>				
G	190	Revenue	24,409	-	24,409
G	290	Expenditure	30,226	-	30,226
G	295	<b>NET INJECTABLE MEDICATIONS (cannot be &gt; 0)</b>	(5,817)	-	(5,817)
G	300	<b>Redirected Funds (To) From</b>			
G	301	FROM General Fund - B309	5,817	-	5,817
G	302	FROM Local Funds - M309	-	-	-
G	390	<b>Total Redirected Funds</b>	5,817	-	5,817
G	400	<b>BALANCE INJECTABLE MEDICATIONS (must = 0)</b>	-	-	-

**MDCH/CMHSP MANAGED MENTAL HEALTH SUPPORTS AND SERVICES CONTRACT (GF)  
FINANCIAL STATUS REPORT - ALL NON MEDICAID**

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		Column A	Column B		
		Reported	Examination Adjustment	Adjusted Totals	

**OTHER FUNDING**

H		MDCH EARNED CONTRACTS			
H	100	<b>REVENUE</b>			
H	101	PASARR	155,464	-	155,464
H	102	DCH Block Grants for CMH services	60,636	-	60,636
H	103	DD Council Grants	3,390	-	3,390
H	104	PATH/Homeless	54,846	-	54,846
H	105	Prevention	-	-	-
H	106	Aging	-	-	-
H	107	HUD Shelter Plus Care	-	-	-
H	150	Other MDCH Earned Contracts (describe): MDCH Housing Assistance	2,691	-	2,691
H	151	Other MDCH Earned Contracts (describe):	-	-	-
H	152	Other MDCH Earned Contracts (describe):	-	-	-
H	190	<b>TOTAL REVENUE</b>	<b>277,027</b>	<b>-</b>	<b>277,027</b>
H	200	<b>EXPENDITURE</b>			
H	201	PASARR	155,464	-	155,464
H	202	DCH Block Grants for CMH services	60,636	-	60,636
H	203	DD Council Grants	3,390	-	3,390
H	204	PATH/Homeless	54,846	-	54,846
H	205	Prevention	-	-	-
H	206	Aging	-	-	-
H	207	HUD Shelter Plus Care	-	-	-
H	250	Other MDCH Earned Contracts (describe): MDCH Housing Assistance	2,691	-	2,691
H	251	Other MDCH Earned Contracts (describe):	-	-	-
H	252	Other MDCH Earned Contracts (describe):	-	-	-
H	290	<b>TOTAL EXPENDITURE</b>	<b>277,027</b>	<b>-</b>	<b>277,027</b>
H	400	<b>BALANCE MDCH EARNED CONTRACTS (must = 0)</b>	<b>-</b>	<b>-</b>	<b>-</b>

I		PIHP to AFFILIATE MEDICAID SERVICES CONTRACTS - CMHSP USE ONLY			
I	100	<b>REVENUE</b>			
I	101	Revenue - from PIHP	18,771,397	-	18,771,397
I	102	1st & 3rd Party Collections - Medicare/Medicaid Consumers - Affiliate	717,521	-	717,521
I	190	<b>TOTAL REVENUE</b>	<b>19,488,918</b>	<b>-</b>	<b>19,488,918</b>
I	290	Expenditure	19,488,918	-	19,488,918
I	295	<b>NET PIHP to AFFILIATE MEDICAID SERVICES CONTRACTS SURPLUS (DEFICIT)</b>	<b>-</b>	<b>-</b>	<b>-</b>
I	300	<b>Redirected Funds (To) From</b>			
I	301	(TO) CMHSP to CMHSP Earned Contracts - J306	-	-	-
I	302	FROM CMHSP to CMHSP Earned Contracts - J303	-	-	-
I	303	FROM Non-MDCH Earned Contracts - K303	-	-	-
I	390	<b>Total Redirected Funds</b>	<b>-</b>	<b>-</b>	<b>-</b>
I	400	<b>BALANCE PIHP to AFFILIATE MEDICAID SERVICES CONTRACTS (must = 0)</b>	<b>-</b>	<b>-</b>	<b>-</b>

J		CMHSP to CMHSP EARNED CONTRACTS			
J	190	Revenue	94,177	-	94,177
J	290	Expenditure	96,079	-	96,079
J	295	<b>NET CMHSP to CMHSP EARNED CONTRACTS SURPLUS (DEFICIT)</b>	<b>(1,902)</b>	<b>-</b>	<b>(1,902)</b>
J	300	<b>Redirected Funds (To) From</b>			
J	301	(TO) Medicaid Services - A302 (PIHP use only)	-	-	-
J	302	(TO) General Fund - B313	-	-	-
J	303	(TO) PIHP to Affiliate Medicaid Services Contracts - I302	-	-	-
J	304	FROM Medicaid Services - A301 (PIHP use only)	-	-	-
J	305	FROM General Fund - B310	6,232	-	6,232
J	306	FROM PIHP to Affiliate Medicaid Services Contracts - I301	-	-	-
J	307	FROM Local Funds - M310	(4,330)	-	(4,330)
J	390	<b>Total Redirected Funds</b>	<b>1,902</b>	<b>-</b>	<b>1,902</b>
J	400	<b>BALANCE CMHSP to CMHSP EARNED CONTRACTS (must = 0)</b>	<b>-</b>	<b>-</b>	<b>-</b>

**MDCH/CMHSP MANAGED MENTAL HEALTH SUPPORTS AND SERVICES CONTRACT (GF)  
FINANCIAL STATUS REPORT - ALL NON MEDICAID**

CMHSP:	NORTHEAST MICHIGAN COMMUNITY MENTAL HEALTH	FISCAL YEAR:	FY 09 / 10
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		Column A	Column B

		Reported	Examination Adjustment	Adjusted Totals
<b>K</b>	<b>NON-MDCH EARNED CONTRACTS</b>			
K 190	Revenue	54,087	-	54,087
K 290	Expenditure	54,087	-	54,087
K 295	<b>NET NON-MDCH EARNED CONTRACTS SURPLUS (DEFICIT)</b>	-	-	-
K 300	<b>Redirected Funds (To) From</b>			
K 301	(TO) Medicaid Services - A303 (PIHP use only)			
K 302	(TO) General Fund - B314	-	-	-
K 303	(TO) PIHP to Affiliate Medicaid Services Contracts - I303	-	-	-
K 304	(TO) Local Funds - M315	-	-	-
K 305	FROM Local Funds - M311	-	-	-
K 390	<b>Total Redirected Funds</b>	-	-	-
K 400	<b>BALANCE NON-MDCH EARNED CONTRACTS (must = 0)</b>	-	-	-

<b>L</b>	<b>SUBSTANCE ABUSE MDCH CONTRACT</b>			
L 100	<b>REVENUE</b>			
L 101	State Agreement	-	-	-
L 102	MiChild - SA	-	-	-
L 103	Adult Benefit Waiver - SA	-	-	-
L 190	<b>TOTAL REVENUE</b>	-	-	-
L 200	<b>EXPENDITURE</b>			
L 201	State Agreement	-	-	-
L 202	MiChild - SA	-	-	-
L 203	Adult Benefit Waiver - SA	-	-	-
L 290	<b>TOTAL EXPENDITURE</b>	-	-	-
L 295	<b>NET SUBSTANCE ABUSE CONTRACT SURPLUS (DEFICIT)</b>	-	-	-
L 300	<b>Redirected Funds (To) From</b>			
L 301	FROM General Funds - B311	-	-	-
L 302	FROM Local Funds - M312	-	-	-
L 390	<b>Total Redirected Funds</b>	-	-	-
L 400	<b>BALANCE SUBSTANCE ABUSE CONTRACT</b>	-	-	-

<b>M</b>	<b>LOCAL FUNDS</b>			
M 100	<b>REVENUE</b>			
M 101	County Appropriation for Mental Health	204,997	-	204,997
M 102	County Appropriation for Substance Abuse - Non Public Act 2 Funds	-	-	-
M 103	Section 226 (a) Funds	29,354	-	29,354
M 104	Affiliate Local Contribution to State Medicaid Match Provided from CMHSP	-	-	-
M 105	Title XX	7,872	-	7,872
M 106	Local Grants	-	-	-
M 107	Interest	22,771	-	22,771
M 108	Public Act 2 - SA	-	-	-
M 109	SED Partner	-	-	-
M 110	All Other Local Funding	11,201	-	11,201
M 190	<b>TOTAL REVENUE</b>	276,195	-	276,195
M 200	<b>EXPENDITURE</b>			
M 201	GF 10% Local Match	118,984	-	118,984
M 202	Local match cap amount			
M 203	GF Local Match Capped per MHC 330.1308	-	-	-
M 204	Local Cost for State Provided Services	11,201	-	11,201
M 205	Local Contribution to State Medicaid Match	250,088	-	250,088
M 206	Local Contribution to State Medicaid Match on Behalf of Affiliate	-	-	-
M 207	Local Match to Grants and MDCH Earned Contracts	444	-	444
M 208	Public Act 2 - SA	-	-	-
M 209	Local Only Expenditures	3,313	-	3,313
M 290	<b>TOTAL EXPENDITURE</b>	384,030	-	384,030
M 295	<b>NET LOCAL FUNDS SURPLUS (DEFICIT)</b>	(107,835)	-	(107,835)
M 300	<b>Redirected Funds (To) From</b>			
M 301	(TO) Medicaid Services - A332 (PIHP use only)			
M 302	(TO) General Fund - B331	(56,289)	-	(56,289)
M 303	(TO) Adult Benefit Waiver - C302	-	-	-
M 304	(TO) MiChild - D304	-	-	-
M 305	(TO) SED Waiver - Required Match - E302	-	-	-
M 306	(TO) SED Waiver - Above Required Match Screen - E304	-	-	-
M 307	(TO) Not SED Waiver eligible - E306	-	-	-
M 308	(TO) Children's Waiver - F302	-	-	-
M 309	(TO) Injectable Medications - G302	-	-	-
M 310	(TO) CMHSP to CMHSP Earned Contracts - J307	4,330	-	4,330
M 311	(TO) Non-MDCH Earned Contracts - K305	-	-	-
M 312	(TO) Substance Abuse - L302	-	-	-
M 313	(TO) Activity Not Otherwise Reported - O302	-	-	-
M 314	FROM SED Waiver - ARRA / stimulus - E308	-	-	-
M 315	FROM Non-MDCH Earned Contracts - K304	-	-	-
M 390	<b>Total Redirected Funds</b>	(51,959)	-	(51,959)
M 400	<b>BALANCE LOCAL FUNDS</b>	(159,794)	-	(159,794)



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		SUBMISSION DATE:	3/31/2011		
		Column A	Column B	Examination Adjustment	Adjusted Totals
				Reported	

N		RISK CORRIDOR			
N	100	REVENUE			
N	101	Stop/Loss Insurance	-	-	-
N	102	Medicaid ISF for PIHP Share Risk Corridor	-	-	-
N	103	MDCH for MDCH Share of Medicaid Risk Corridor	-	-	-
N	104	GF ISF for State Facility Cost Over Runs	-	-	-
N	190	TOTAL REVENUE	-	-	-
N	300	Redirected Funds (To) From			
N	301	(TO) Medicaid Services - PIHP Share - A333 (PIHP use only)			
N	302	(TO) Medicaid Services - MDCH Share - A334 (PIHP use only)			
N	303	(TO) General Fund - B332	-	-	-
N	390	Total Redirected Funds	-	-	-
N	400	BALANCE RISK CORRIDOR (must = 0)	-	-	-

O		ACTIVITY NOT OTHERWISE REPORTED			
O	100	REVENUE			
O	101	Other Revenue (describe): Production Revenues (directly offset Expenditures)	36,113	-	36,113
O	102	Other Revenue (describe): Donor Directed Donations	3,366	-	3,366
O	103	Other Revenue (describe): MHC allowable ISF Asset Replacement (transferred in)	98,200	-	98,200
O	190	TOTAL REVENUE	137,679	-	137,679
O	200	EXPENDITURE			
O	201	Other Expenditure (describe): Production Costs (directly offset Revenue)	36,080	-	36,080
O	202	Other Expenditure (describe): Donor Directed Expenditures	3,399	-	3,399
O	203	Other Expenditure (describe): MHC allowable ISF Asset Replacement Usage	98,200	-	98,200
O	290	TOTAL EXPENDITURE	137,679	-	137,679
O	295	NET ACTIVITY NOT OTHERWISE REPORTED SURPLUS (DEFICIT)	-	-	-
O	300	Redirected Funds (To) From			
O	301	(TO) Children's Waiver - F303	-	-	-
O	302	FROM Local Funds - M313	-	-	-
O	390	Total Redirected Funds	-	-	-
O	400	BALANCE ACTIVITY NOT OTHERWISE REPORTED	-	-	-

P		GRAND TOTALS			
P	190	GRAND TOTAL REVENUE	22,533,765	-	22,533,765
P	290	GRAND TOTAL EXPENDITURE	22,355,615	-	22,355,615
P	390	GRAND TOTAL REDIRECTED FUNDS (must = 0)	-	-	-
P	400	NET INCREASE (DECREASE)	178,150	-	178,150

Q		REMARKS
Q		This section has been provided for the CMHSP to provide narrative descriptions as requested in the FSR instructions or where additional narrative would be meaningful to the CMHSP / MDCH.
Q		B310: CMH to CMH Earned Contract Loss due to COFR CMH's claims billed less than COFR computed actual cost. B331 and M302: Local fund redirected to GF relates to 3rd party revenue (B121) and expense (portion of B201): revenue \$47,612, expense \$103,901, difference local match loss of \$56,289, actual incurred costs exceeded contractual rates charged to 3rd party insurers. M101: County Appropriation for Mental Health: Alcona County \$35,454, Alpena County \$94,737, Montmorency County \$31,207, Presque Isle County \$43,599. J307 and M310: ABW; May 1 - September 30 produced gain of \$4,330. Per agreement with PIHP, this will be treated as local match revenue for Northeast Michigan Community Mental Health to be used in fund year 2011. M400 : Local Match shortfall of \$164,124 to come from agency fund balance.
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**MDCH/CMHSP MANAGED MENTAL HEALTH SUPPORTS AND SERVICES CONTRACT (GF)  
STATE SERVICES UTILIZATION, RECONCILIATION & CASH ANALYSIS**

**CMHSP:** NORTHEAST MICHIGAN COMMUNITY MENTAL HEALTH  
**FISCAL YEAR:** FY 09 / 10  
**SUBMISSION TYPE:** YE Final  
**SUBMISSION DATE:** March 31, 2011

	Caro Center	Caro Center - ICF/MR	Kalamazoo	W. Reuther	Hawthorn	Mt. Pleasant ICF/MR	Mt. Pleasant ICF/MR-Non	Total
<b>1. Days Of Care</b>	\$434	\$0	\$363	\$318	\$138	\$0	\$0	

a. State Report 16007-01								
1. Days Of Care	61				321			382
2. Billed Costs	\$ 26,474	\$ -	\$ -	\$ -	\$ 44,298	\$ -	\$ -	\$ 70,772

b. CMHSP Reported								
1. Days Of Care	71				321			392
2. Billed Costs	\$ 30,814	\$ -	\$ -	\$ -	\$ 44,298	\$ -	\$ -	\$ 75,112

c. Narrative of any variances between State Report 16007-01 and the CMHSP Reported data. Data to include Client Name, Case Number, and Dates of Services:

Case # 00602, 09/21/2010 - 09/30/2010, 10 Days @ \$434 = \$4,340 missing from report 16007-01.

Per email from MDCH Accounting (Wed 11/3/2010 9:35 AM) "It will show up on the October 2010 bill as a Prior Year Adjustment".

2. Reconciliation to FSR		Expenditures	Narrative of Variance
a.	FSR Expenditures (Line B.204)	\$ 75,112	
b.	MDCH Recognized State Facility Cost	\$ 75,112	
c.	Variance	\$ -	State Report 16007-01 balance of \$70,772 plus MDCH October correction for case #00602 \$4,340 = \$75,112 corrected form 16007-01.
d.	State Facility Cost Funded with ISF Abatement (enter as a negative)	\$ (4,741)	

3. State Facility Authorization to Cost Comparison		Amount
a.	State Facility Authorization	\$ 296,969
b.	State Facility Authorization Surplus (Shortfall) (3.a - 2.b - 2.d)	\$ 226,598

4. State Facility Cash Analysis		State Facility Cost	Payments Sent MDCH through 9/30	Payments Sent MDCH after 9/30	Total Payments Sent to MDCH	Balance Due (MDCH) / CMHSP
a.	State Facility Total	\$ 75,112	\$ 67,874	\$ 7,238	\$ 75,112	\$ -

**SPECIAL FUND ACCOUNT**  
**For Recipient Fees and Third-Party Reimbursement**

As Added to Mental Health Code per PA 423, 1980

**CMHSP:** NORTHEAST MICHIGAN COMMUNITY MENTAL HEALTH  
**FISCAL YEAR:** FY 09 / 10  
**SUBMISSION TYPE:** YE Final  
**SUBMISSION DATE:** March 31, 2011

**Part A: Mental Health Code (MHC) 330.1311 - County Funding Level**

1. County Funding - 1979/1980	\$ 83,304
2. County Funding - Current Fiscal Year	\$ 204,997

**Part B: Mental Health Code (MHC) 330.1226a - Cash Collections**

**Year to Date by Service Category and Source**

Service Category	(1) Individuals Relatives	(2) Insurers Including Medicare	(3) Total
1. Inpatient Services	\$ -	\$ -	\$ -
2. Residential Services	\$ 2,450	\$ -	\$ 2,450
3. Community Living Services	\$ 114	\$ 11,853	\$ 11,967
4. Outpatient Services	\$ 8,276	\$ 89,965	\$ 98,241
5. Total	\$ 10,840	\$ 101,818	\$ 112,658

**Part C: Mental Health Code (MHC) 330.1226a - Cash Collections**

**Quarterly Summary**

1. First Quarter	\$ 33,955
2. Second Quarter	\$ 28,913
3. Third Quarter	\$ 24,539
4. Fourth Quarter	\$ 25,251
5. Total	\$ 112,658

**Certification: I certify that I am authorized to sign on behalf of the CMHSP and that this is an accurate statement of cash collections for the report period. Appropriate documentation is available and will be maintained for the required period to support collections reported.**

Authorized Signature: Cheryl Jaworowski Date: 1/31/2011

Contact Person Name: Cheryl Jaworowski Telephone Number: 989-358-7737

Please Print

**MDCH/CMHSP MANAGED MENTAL HEALTH SUPPORTS AND SERVICES CONTRACT (GF)  
INTERNAL SERVICE FUND**

**CMHSP:** NORTHEAST MICHIGAN COMMUNITY MENTAL HEALTH  
**FISCAL YEAR:** FY 09 / 10  
**SUBMISSION TYPE:** YE Final  
**SUBMISSION DATE:** March 31, 2011

1. Internal Service Fund Fiscal Year Activity	ISF Balance @ Beginning of Fiscal Year	Current Period ISF Contributions Interest Earned	Current Period ISF Contributions Deposits	Current Period ISF Reduction (Abatement)	Current Period ISF Financing (Risk)	Current Period ISF Reduction (Refund to MDCH)	ISF Ending Balance
a. ISF Balances / Current Activity	\$ 86,761	\$ 734	\$ 13,044	\$ (4,741)			\$ 95,798

2. State Facility Authorization to Cost Comparison	Amount
a. State Facility Authorization	\$ 296,969
b. State Facility Cost	\$ 75,112
c. State Facility Cost Funded with ISF Abatement	\$ (4,741)
d. Balance of State Facility for ISF Usage Calculation	\$ 70,371
e. State Facility Authorization Surplus (Shortfall) (2.a - 2.d)	\$ 226,598

3. Analysis of Allowable ISF Usage	Amount
a. GF Contract Deficit	\$ -
b. Maximum ISF Usage	\$ -

4. CMHSP Maximum Allowable Funding of ISF	Prior Year 5 State Facility Liability	Prior Year 4 State Facility Liability	Prior Year 3 State Facility Liability	Prior Year 2 State Facility Liability	Prior Year 1 State Facility Liability	CMHSP State Facility Spike / Maximum ISF	Average SF Spike %	CMHSP / PIHP Avg. Spike % * Prior Year 1 SF Costs - Max GF ISF
a. State Facility Utilization	\$ 840,031	\$ 758,530	\$ 134,256	\$ 216,458	\$ 312,256			
b. Change in Cost with Adjacent Fiscal Year		\$ (81,501)	\$ (624,274)	\$ 82,202	\$ 95,798	\$ 95,798		
c. % of Change in Cost with Adjacent Fiscal Year		-9.70%	-82.30%	61.23%	44.26%		3.37%	\$ 10,523

5. Determination of Maximum Allowable ISF Calculation	Type of Agency
a. Select CMHSP or CMHSP / PIHP from the drop down.	CMHSP

6. Disposition of ISF Ending Balance	Amount	Narrative of Resolution if ISF Over Funded
a. Maximum Allowable Funding of GF ISF	\$ 95,798	See justification of Current Period ISF Contributions Deposits in separate file named "FY10 FINAL Northeast OTHER INFORMATION 1-31-2011.xls". 100% of ISF will be used or abated in FY11 as required by contract with MDCH.
b. GF ISF Ending Balance	\$ 95,798	
c. Within Maximum Allowable Limit / (Overfunded)	\$ -	

**MDCH/PIHP MEDICAID MANAGED SPECIALTY SUPPORTS AND SERVICES CONCURRENT 1915(b)/(c) WAIVER PROGRAM CONTRACT  
INTERNAL SERVICE FUND**

**PIHP:** NOT APPLICABLE  
**FISCAL YEAR:** FY 09 /10  
**SUBMISSION TYPE:** YE Final  
**SUBMISSION DATE:** March 31, 2011

1. Internal Service Fund Fiscal Year Activity	ISF Balance @ Beginning of Fiscal Year	Current Period ISF Contributions Interest Earned	Current Period ISF Contributions Deposits	Current Period ISF Reduction (Abatement)	Current Period ISF Financing (Risk)	Current Period ISF Reduction (Refund to MDCH)	ISF Ending Balance
a. ISF Balances / Current Activity							\$ -

2. PIHP Maximum Allowable Funding of ISF	Amount
a. Specialty Managed Care - Medicaid Capitation	
b. % of Current Year Medicaid Capitation	7.5%
c. Maximum Allowable Funding of Med ISF	\$ -

3. Disposition of ISF Ending Balance	Amount	Narrative of Resolution if ISF Over Funded
a. Maximum Allowable Funding of Medicaid ISF	\$ -	
b. Medicaid ISF Ending Balance	\$ -	
c. Within Maximum Allowable Limit / (Overfunded)	\$ -	

**MDCH/PIHP MEDICAID MANAGED SPECIALTY SUPPORTS AND SERVICES CONCURRENT 1915(b)/(c) WAIVER PROGRAM CONTRACT  
FINANCIAL STATUS REPORT - MEDICAID**

PIHP: NOT APPLICABLE			YEAR TO DATE REPORTING								
FISCAL YEAR:			A	B	C	D	E	F	G	H	I
SUBMISSION TYPE:			Reporting Board	CMHSP or CA							PIHP Total
SUBMISSION DATE:				# 1	# 2	# 3	# 4	# 5	# 6	# 7	
1	PIHP or CMHSP or CA										

A	MEDICAID SERVICES - PIHP USE ONLY										
A 100	<b>REVENUE</b>										
A 101	State Plan ( B )										
A 102	State Plan ( B3 )										
A 103	Hab Support Waiver ( C )										
A 104	Medicaid Managed Care - Affiliate Contracts										
A 120	<b>Subtotal - Current Period Medicaid Services Revenue</b>										
A 121	1st & 3rd Party Collections - Medicare/Medicaid Consumers - Rpting Bd										
A 122	1st & 3rd Party Collections - Medicare/Medicaid Consumers - Affiliate										
A 123	Prior Year Medicaid Savings (Funding Current Year Expenses)										
A 124	ISF Abatement										
A 140	<b>Subtotal - Other Medicaid Revenue</b>										
A 190	<b>TOTAL REVENUE</b>										
A 200	<b>EXPENDITURE</b>										
A 201	PIHP QAAP/Use Tax Liability										
A 202	Medicaid Services										
A 203	Payment into Medicaid ISF										
A 204	Psych Hospital Rate Adjuster (HRA)										
A 290	<b>TOTAL EXPENDITURE</b>										
A 295	<b>SUBTOTAL NET MEDICAID SERVICES SURPLUS (DEFICIT)</b>										
A 300	<b>Redirected Funds (To) From</b>										
A 301	(TO) CMHSP to CMHSP Earned Contracts - J304										
A 302	FROM CMHSP to CMHSP Earned Contracts - J301 (explain - section AB)										
A 303	FROM Non-MDCH Earned Contracts - K301 (explain - section AB)										
A 325	Info only - Affiliate Total Redirected Funds - I390										
A 330	<b>Subtotal Redirected Funds rows 301 - 303</b>										
A 331	FROM General Fund - Redirected to Unfunded Medicaid Costs - B301										
A 332	FROM Local Funds - M301										
A 333	FROM Risk Corridor - PIHP Share - N301										
A 334	FROM Risk Corridor - MDCH Share - N302										
A 390	<b>Total Redirected Funds</b>										
A 400	<b>BALANCE MEDICAID SERVICES</b>										

AB	REMARKS
AB	Remarks may be added about any entry or activity on the report for which additional information may be useful.
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**MDCH/PIHP MEDICAID MANAGED SPECIALTY SUPPORTS AND SERVICES CONCURRENT 1915(b)/(c) WAIVER PROGRAM CONTRACT  
SHARED RISK CALCULATION & RISK FINANCING**

**PIHP:** NOT APPLICABLE  
**FISCAL YEAR:** \_\_\_\_\_  
**SUBMISSION TYPE:** \_\_\_\_\_  
**SUBMISSION DATE:** \_\_\_\_\_

1. Shared Risk Calculation				Amount
a.	Specialty Managed Care - Medicaid Capitation			
1.	Band # 1 (100 - 105%)	5%	-	Full PIHP Responsibility
2.	Band # 2 (105 - 110%)	5%	-	Shared State / PIHP Responsibility
b.	Risk			
				State Risk
				Local Risk
				Total Risk Corridor
1.	Band # 1 Liability		-	
2.	Sub-Total - Band # 1		-	
3.	Band # 2 Liability		-	
4.	Sub-Total - Band # 2		-	
5.	Band # 3 Liability		-	
6.	Total Risk Responsibility			\$ - \$ - \$ -

2. Disposition of Risk				State Risk	Local Risk	Total Risk Corridor
a.	Stop/Loss Insurance (FSR Line N 101)					-
b.	Medicaid ISF for PIHP Share Risk Corridor (FSR Line N 102)					-
c.	Local Funds / Local Fund Balance - Medicaid Services (FSR Line M 301)					-
d.	General Fund Redirect for Unfunded Medicaid Costs - MDCH Approved ONLY (FSR Line B 301)					-
e.	Due PIHP From MDCH (FSR Line N 103)					-
f.	Total Risk Corridor Funding			\$ -	\$ -	\$ -

3. Summary of Total Risk / Funding				State Risk	Local Risk	Total Risk Corridor
a.	Total Risk			-	-	-
b.	Total Disposition of MDCH / Local Risk			-	-	-
c.	Balance of Risk Corridor (Must = \$0)			\$ -	\$ -	\$ -

**Michigan Department of Community Health  
Mental Health and Substance Abuse  
ABW Supplemental Report  
Fiscal Year 2009/2010**

**CMHSP / PIHP:**

NORTHEAST

Submission Date:		<b>Mental Health - ABW</b>			
		<u>Gross Payments by Service Month</u>			
		Title XXI Oct 09 - Dec 09	Title XIX Jan 10 - April 10	Title XIX May - Sept 10	Total Mental Health
MH 100	<b>Revenue</b>				
MH 101	ABW Capitation	\$ 84,472.67	\$ 85,601.84	\$ -	\$ 170,074.51
MH 102	CMHSP to CMHSP Earned Contract (CMHSP use only)	-	-	71,579.04	71,579.04
MH 103	Maximize ABW Funding				-
MH 190	<b>Total Revenue:</b>	\$ 84,472.67	\$ 85,601.84	\$ 71,579.04	\$ 241,653.55
MH 200	<b>Expenditure</b>				
MH 201	ABW Service / Administration	\$ 58,506.48	\$ 54,839.45	\$ 67,249.43	\$ 180,595.36
MH 202	Risk Management (PIHP use only)				-
MH 203	Use Tax (PIHP use only)				-
MH 290	<b>Total Expenditure:</b>	\$ 58,506.48	\$ 54,839.45	\$ 67,249.43	\$ 180,595.36
MH 295	<b>Net ABW:</b>	\$ 25,966.19	\$ 30,762.39	\$ 4,329.61	\$ 61,058.19
MH 300	<b>Redirected Funds (To) From</b>				
MH 301	From Local				-
MH 302	From GF				-
MH 390	<b>Total Redirected Funds:</b>	\$ -	\$ -	\$ -	\$ -
MH 400	<b>Balance ABW (cannot be &lt; 0)</b>	\$ 25,966.19	\$ 30,762.39	\$ 4,329.61	\$ 61,058.19

**Substance Abuse - ABW**

Payments by Service Month

		<u>Federal</u>		<u>Gross</u>	Total Sub. Abuse
		Title XXI Oct 09 - Dec 09	Title XIX Jan 10 - April 10	Title XIX May - Sept 10	
SA 100	<b>Revenue</b>				
SA 101	ABW Capitation	\$ -	\$ -	\$ -	\$ -
SA 102	State Agreement - Required Match (PIHP/CA only)				-
SA 103	State Agreement - Above Match (PIHP / CA only)				-
SA 104	Maximize ABW Funding				-
SA 190	<b>Total Revenue:</b>	\$ -	\$ -	\$ -	\$ -
SA 200	<b>Expenditure</b>				
SA 201	ABW Service / Administration	\$ -	\$ -		\$ -
SA 202	Risk Management (PIHP use only)	-	-		-
SA 203	Use Tax (PIHP use only)	-	-		-
SA 290	<b>Total Expenditure:</b>	\$ -	\$ -	\$ -	\$ -
SA 295	<b>Net ABW:</b>	\$ -	\$ -	\$ -	\$ -
SA 300	<b>Redirected Funds (To) From</b>				
SA 301	From Local				-
SA 390	<b>Total Redirected Funds:</b>	\$ -	\$ -	\$ -	\$ -
SA 400	<b>Balance ABW (Cannot be &lt; 0)</b>	\$ -	\$ -	\$ -	\$ -

**Remarks**

Per the April 30, 2010 communication from Mike Head. First Source: AY 10 ABW Capitation current period. Second Source: AY 10 ABW Capitation maximization between periods. Third Source: GF, Local, State Agreement



**MDCH/CMHSP MANAGED MENTAL HEALTH SUPPORTS AND SERVICES CONTRACT (GF)  
GENERAL FUND CONTRACT RECONCILIATION AND CASH SETTLEMENT**

**CMHSP:** NORTHEAST MICHIGAN COMMUNITY MENTAL HEALTH  
**FISCAL YEAR:** FY 09 / 10  
**SUBMISSION TYPE:** YE Final  
**SUBMISSION DATE:** March 31, 2011

1. General Fund Services - Available Resources		Funding Resources
a.	CMH Operations (FSR B 101)	1,574,374
b.	Categorical (FSR B 102)	-
c.	State Services (FSR B 103)	296,969
d.	Sub-Total General Fund Contract Resources	\$ 1,871,343
e.	1st & 3rd Party Collections (FSR B 121 + B 122)	47,612
f.	Prior Year GF Carry-Forward (FSR B 123)	-
g.	ISF Abatement - State Facility (FSR B 124)	4,741
h.	Redirected CMHSP to CMHSP Contracts (FSR B 313)	-
i.	Redirected Non-MDCH Earned Contracts (FSR B 314)	-
j.	Sub-Total Other General Fund Resources	\$ 52,353
k.	Local 10% Associated to 90/10 Services (FSR M 201)	118,984
l.	Local 10% Match Cap Adjustment (FSR M 203)	-
m.	Sub-Total Local 10% Associated to 90/10 Services	\$ 118,984
n.	Total General Fund Services - Resources	\$ 2,042,680

3. Summary of Resources / Expenditures		Amount
a.	Total General Fund Services - Resources	2,042,680
b.	Total General Fund Services - Expenditures	1,821,718
c.	Sub-Total General Fund Services Surplus (Deficit)	\$ 220,962
d.	Less: Forced Lapse to MDCH	-
e.	Net General Fund Services Surplus (Deficit)	\$ 220,962

4. Disposition:		Amount
<b>Surplus</b>		
b.	Transfer to Fund Balance - GF Carry-Forward Earned	(93,567)
c.	Lapse to MDCH - Contract Settlement	(127,395)
d.	Total Disposition - Surplus	\$ (220,962)
<b>Deficit</b>		
f.	Redirected from Local (FSR B 331)	56,289
g.	Redirected from ISF (FSR B 332)	-
h.	Total Disposition - Deficit	\$ 56,289

5. Cash Settlement: (Due MDCH) / Due CMHSP		Amount
a.	Forced Lapse to MDCH	-
b.	Lapse to MDCH - Cotntract Settlement	(127,395)
c.	Return of Prior Year General Fund Carry-Forward	
d.	State Facility	
e.	Contract Authorization - Late Amendment	-
f.	Misc: correct for 3rd party loss covered by local funds (4f.)	(56,289)
g.	Total Cash Settlement: (Due MDCH) / Due CMHSP	\$ (183,684)

2. General Fund Services - Expenditures		90/10 - Local Cap	Expenditures
a.	100% MDCH Matchable Services (FSR B 201)		510,487
b.	100% MDCH Matchable Services - CMHSP Local Match Cap (FSR B 202)		-
c.	90/10% MDCH Matchable Services (FSR B 203 Column A)	1,189,837	
d.	Local 10% Match Cap Adjustment (FSR M 203)	-	1,189,837
e.	State Services (FSR B 204)		75,112
f.	Payment into GF ISF (FSR B 205)		13,044
g.	Sub-Total General Fund Services - Expenditures		\$ 1,788,480
h.	GF Supplement for Unfunded Medicaid (FSR B 301)		-
i.	GF Supplement for ABW (FSR B 302)		-
j.	GF Supplement / Match for MICHild (FSR B 303 & B 304)		8,916
k.	GF Supplement / Match for SED (FSR B 305 + B 306 + B 307 - B312)		-
l.	GF Supplement for Children's Waiver (FSR B 308)		12,273
m.	GF Supplement for Injectable Medications (FSR B 309)		5,817
n.	GF Supplement for CMHSP to CMHSP Contracts (FSR B 310)		6,232
o.	GF Supplement for Substance Abuse (FSR B 311)		-
p.	Sub-Total General Fund Services Supplement - Expenditures		\$ 33,238
q.	Total General Fund Services - Expenditures		\$ 1,821,718

6. General Fund MDCH Commitment	
MDCH / CMHSP Contract Funded Expenditures	1,650,381
Earned General Fund Carry-Forward	93,567
Total MDCH General Fund Commitment	\$ 1,743,948

General Fund Carry Forward Earned	
Examined	\$ 93,567
Original Settlement	93,567
Increase (decrease)	\$ -

Comments

**MDCH/CMHSP MANAGED MENTAL HEALTH SUPPORTS AND SERVICES CONTRACT (GF)  
GENERAL FUND CONTRACT SETTLEMENT WORKSHEET**

**CMHSP:** NORTHEAST MICHIGAN COMMUNITY MENTAL HEALTH  
**FISCAL YEAR:** FY 09 / 10  
**SUBMISSION TYPE:** YE Final  
**SUBMISSION DATE:** March 31, 2011

1. General Fund (Formula and Categorical Funding)	Contract Authorization	Cash Received			Amount Due CMHSP / (MDCH) Cash Settlement
		Through 9/30	After 9/30 Prior to Settlement	Total	
a. CMH Operations	1,574,374	1,570,906	3,468	1,574,374	-
b. Categorical	-	-	-	-	-
c. State Facility	296,969	296,969	-	296,969	-
d. Total Current FY GF Authorization / Cash Received / Cash Settlement	\$ 1,871,343	\$ 1,867,875	\$ 3,468	\$ 1,871,343	\$ -

2. Current Year - General Fund Carry-Forward - Maximum	Contract Authorization	Maximum C/F
a. CMH Operations	1,574,374	
b. State Facility	296,969	
c. Total Current Year Maximum Carry-Forward	\$ 1,871,343	\$ 93,567

3. Prior Year - General Fund Carry-Forward	FY	If balance of Prior Year GF Carry-Forward is not zero, balance must be explained
a. Prior Year GF Carry-Forward Earned	-	
b. Prior Year GF Carry-Forward (FSR B 123)	-	
c. Balance of Prior Year General Fund Carry-Forward	\$ -	

4. Categorical - Categories	Authorizations	Expenditures	Lapse	Cost Above Authorizations
a. Grant Pickup	-	-	-	-
b. Respite - Children with Serious Emotional Disturbance	-	-	-	-
c. Multicultural Services	-	-	-	-
d. Other Funding - Please explain	-	-	-	-
e. Other Funding - Please explain	-	-	-	-
f. Totals	\$ -	\$ -	\$ -	\$ -

**5. Narrative: Both CRCS and Contract Settlement Worksheet**  
Narrative for GF Summary Line 5.f: The Net General Fund Services Surplus noted in 3.e. includes a GF surplus of \$277,251 less a 3rd party revenue (100% matchable) deficit of \$56,289, for a net surplus of \$220,962. The \$56,289 (FSR B331) local funds to cover the 3rd party insurance deficit was entered into line 4.f. This amount does not get taken into account in the Cash Settlement section of the report. Thus, the local funding to cover the 3rd party insurance deficit is being deducted in 5.f. to correct the Total Cash GF Settlement due to MDCH to \$183,684.

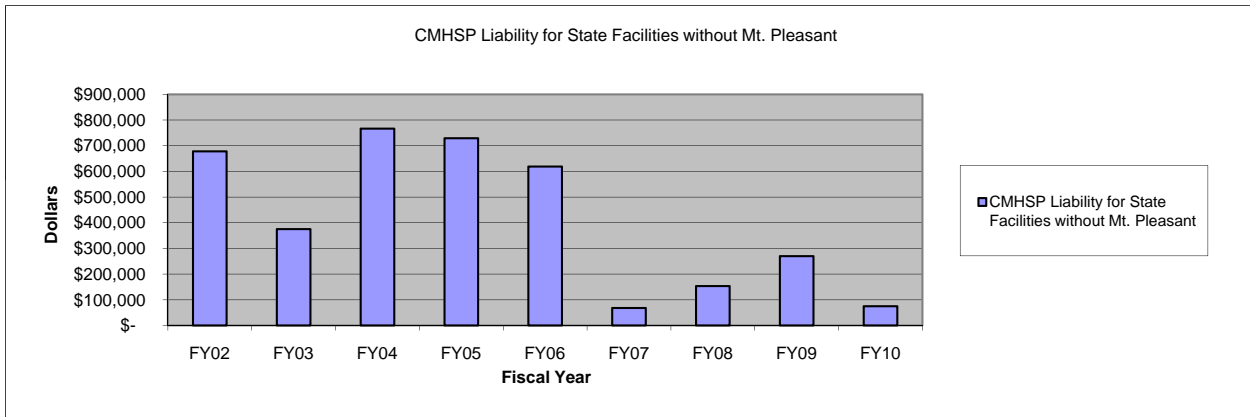
## MDCH/CMHSP MANAGED MENTAL HEALTH SUPPORTS AND SERVICES CONTRACT (GF) OTHER EXPLANATIONS

<b>CMHSP:</b>	NORTHEAST MICHIGAN COMMUNITY MENTAL HEALTH
<b>FISCAL YEAR:</b>	FY 09 / 10
<b>SUBMISSION TYPE:</b>	YE Final
<b>SUBMISSION DATE:</b>	March 31, 2011

### 1. Explanation of item 1.a., column "Current Period ISF Contributions Deposits" on Internal Service Fund report:

#### Historical State Facility Usage

	CMHSP Liability for All State Facilities	Remove Mt. Pleasant for comparative purposes	Fiscal Year	CMHSP Liability for State Facilities without Mt. Pleasant	% of Average	Annual Change in State Facility Liability without Mt. Pleasant
Actual	\$ 709,902	\$ 31,824	FY02	\$ 678,078	163%	N/A
Actual	446,661	71,117	FY03	375,544	91%	\$ (302,534)
Actual	828,070	61,600	FY04	766,470	185%	390,926
Actual	840,031	110,580	FY05	729,451	176%	(37,019)
Actual	758,530	139,815	FY06	618,715	149%	(110,736)
Actual	134,256	66,065	FY07	68,191	16%	(550,524)
Actual	216,458	63,318	FY08	153,140	37%	84,949
Actual	312,256	42,458	FY09	269,798	65%	116,658
Actual	75,112	-	FY10	75,112	18%	(194,686)
<b>Average</b>	<b>\$ 480,142</b>	<b>\$ 65,197</b>		<b>\$ 414,944</b>		



Total occupancy in the Caro Center State facility for FY10 was 71 days. As of 12/1/10, the projected FY11 usage of this facility (excluding unknown future admissions) is 321 days. This increase is due to a projected long term admission of a severely impaired consumer occurring in the beginning of December 2010. Utilizing FY10 rates, **this projected increase of 250 days equates to \$108,500** (321 - 71 days X \$434.00 per diem). Thus, Northeast has chosen to fully fund its State Facility Risk ISF utilizing \$13,044 in FY10 GF dollars to bring the maximum allowable ISF balance to \$95,798. The ISF balance is \$12,703 less than the projected increase in state facility costs. The deposited ISF funds of \$13,044 would have otherwise lapsed to MDCH (in addition to the FY10 lapse of \$183,684 GF in FY10). It is not anticipated that a GF lapse will re-occur in FY11. Thus, Northeast respectfully requests MDCH's consideration that the \$13,044 in contributed risk funds be allowed in its FY10 settlement.

**MDCH/CMHSP MANAGED MENTAL HEALTH SUPPORTS AND SERVICES CONTRACT (GF)  
OTHER DISCLOSURES**

<b>CMHSP:</b>	NORTHEAST MICHIGAN COMMUNITY MENTAL HEALTH
<b>FISCAL YEAR:</b>	FY 09 / 10
<b>SUBMISSION TYPE:</b>	YE Final
<b>SUBMISSION DATE:</b>	March 31, 2011

**1. Other disclosures:**

During FY10, a consumer reported to Northeast and it's affiliation that the consumer had not received the services reported to and paid for by Northeast for a subcontracted service provider where service documentation existed. This investigation was referred to the State of Michigan Attorney General's office (AGO) for follow up. The AGO closed their criminal case citing \$640 was owed to NeMCMHA from the subcontractor for services billed but not provided. Northeast refused to accept a \$640 payment from the subcontractor to close this case and cease all follow up. This case has now been turned over to the MDCH Fraud & Abuse Office for further investigation. NOTE: The subcontractor was paid a total of \$121,340 from FY07 through FY10 for services rendered. Northeast staff, after reviewing all subcontractor case files, have determined that the maximum liability for fraudulent services reported by this subcontractor is no more than 50% of total payments made to the subcontractor over the 4 year period. Northeast has reduced its FY10 expenditures by \$60,670 (50%) to accrue for this potential liability. Should the non criminal case be proven against the subcontractor, Northeast will seek full restitution from the subcontractor and/or its liability insurance carrier.

**Northeast Michigan Community Mental Health Authority**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the Year Ended September 30, 2010

**SECTION I - SUMMARY OF ACCOUNTANTS' RESULTS**

**Medicaid Program**

Type of accountants' report issued on compliance: Unqualified

Internal control over Medicaid program:  
Material weakness(es) identified?      Yes   X   No

Significant deficiency(s) identified not considered  
to be material weaknesses?      Yes   X   None reported

Material noncompliance with the provisions of laws,  
regulations, or contracts noted?      Yes   X   No

Known fraud identified?   X   Yes      No

See MDCH/CMHSP Managed Mental Health Supports and Services Contract (GF) Other  
Disclosures within the Examined FSR Schedule

**General Fund Program**

Type of accountants' report issued on compliance: Unqualified

Internal control over General Fund program:  
Material weakness(es) identified?      Yes   X   No

Significant deficiency(s) identified not considered  
to be material weaknesses?      Yes   X   None reported

Material noncompliance with the provisions of laws,  
regulations, or contracts noted?      Yes   X   No

Known fraud identified?      Yes   X   No

**CMHS Block Grant Program**

Type of accountants' report issued on compliance: Unqualified

Internal control over General Fund program:  
Material weakness(es) identified?      Yes   X   No

Significant deficiency(s) identified not considered  
to be material weaknesses?      Yes   X   None reported

Material noncompliance with the provisions of laws,  
regulations, or contracts noted?      Yes   X   No

Known fraud identified?      Yes   X   No

# Northwest Michigan Community Mental Health Authority

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued

For the Year Ended September 30, 2010

### SECTION II - FINDINGS AND QUESTIONED COSTS

#### **Finding 2010-1:** Medicaid Program - Immaterial Noncompliance Consumer Files Documentation

**Criteria:** The Authority's policy, and MDCH and Affiliation contracts, require that ongoing non-emergency services be pre-authorized in a consumer's plan of service, and that every consumer must have a written plan of service completed at least every year.

**Condition:** In two of forty files examined, a current plan of service was not documented within the consumer file.

**Cause:** Documentation was not found within the client file.

**Effect:** One consumer was without a plan of service for 13 days before the file was closed. The second consumer was without a plan of service for 7 weeks.

**Management's Response and Corrective Action Plan:** In the first case, no services were provided during the 13 days when a plan of service was not in place. The consumer ended services 13 days after the plan of service expired and the case was closed. In the second case, 1 medication review was provided to the consumer during the time period where there was no updated plan of service. This service was originally charged to our Medicaid managed care program at a cost of \$168.33. This service has been voided and the charge to Medicaid has been reversed. NeMCMHA has an ongoing quality improvement program to address plan of service authorization issues and will continue to train staff on the necessity of having pre-authorized services in plans of service in a timely manner.

### SECTION III - EXAMINATION ADJUSTMENTS

None.

# **Northeast Michigan Community Mental Health Authority**

## **COMMENTS AND RECOMMENDATIONS**

For the Year Ended September 30, 2010

The following additional matter is not considered to be a material weakness or significant deficiency in internal control, but is an informational item only:

### **Building Notes Payable**

We noted the Authority has a few building notes payable that will be paid off in the next few years, and cash restricted for future debt payments. The Board may wish to use the restricted cash to pay off the notes early, thereby saving funds that would have been spent on interest expense.

### **Management's Response**

All long-term building notes payable were paid in full as of April 19, 2011.