

**Northeast Michigan  
Community Mental Health Authority**

CMH COMPLIANCE EXAMINATION

September 30, 2011

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**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH  
REQUIREMENTS APPLICABLE TO MEDICAID, ABW, 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, Adult Benefits Waiver ("ABW"), General Fund ("GF") and Community Mental Health Services ("CMHS") Block Grant Programs for the year ended September 30, 2011. 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, ABW, GF and CMHS Block Grant Programs for the year ended September 30, 2011.

### **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, ABW, 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, ABW, 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, ABW, 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, ABW, 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.

### **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*

April 13, 2012

**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 10/11     |
|        | SUBMISSION TYPE:                           | YE Final     | YEAR TO DATE |
|        | SUBMISSION DATE:                           | 2/28/2012    | REPORTING    |
|        |  | Column A     | Column B     |

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

|          |   |   |   |   |
|----------|---|---|---|---|
| <b>A</b> | <b>ADULT BENEFIT WAIVER SERVICES - Summary From FSR - ABW Worksheet</b> |   |   |   |
| A 190    | TOTAL REVENUE   | - | - | - |
| A 290    | TOTAL EXPENDITURE   | - | - | - |
| A 295    | NET ABW SERVICES SURPLUS (DEFICIT)                                      | - | - | - |
| A 390    | Total Redirected Funds  | - | - | - |
| A 400    | BALANCE ABW SERVICES  | - | - | - |

| <b>B</b> | <b>GENERAL FUND (GF)</b>  |           |           |           |
|----------|---|-----------|-----------|-----------|
| B 100    | REVENUE   |           |           |           |
| B 101    | CMH Operations  | 1,689,328 | -         | 1,689,328 |
| B 102    | Categorical   | -         | -         | -         |
| B 103    | State Services  | 75,146    | -         | 75,146    |
| B 120    | Subtotal - Current Period General Fund Revenue                                | 1,764,474 | -         | 1,764,474 |
| B 121    | 1st & 3rd Party Collections (Not in Section 226a Funds) 100% Services         | 52,691    | -         | 52,691    |
| B 122    | 1st & 3rd Party Collections (Not in Section 226a Funds) 90% Services          | -         | -         | -         |
| B 123    | Prior Year GF Carry Forward   | 93,567    | -         | 93,567    |
| B 124    | ISF Abatement   | 96,008    | -         | 96,008    |
| B 140    | Subtotal - Other General Fund Revenue   | 242,266   | -         | 242,266   |
| B 190    | TOTAL REVENUE   | 2,006,740 | -         | 2,006,740 |
| B 200    | EXPENDITURE   |           |           |           |
| B 201    | 100% MDCH Matchable Services  | 356,805   | -         | 356,805   |
| B 202    | 100% MDCH Matchable Services Based on CMHSP Local Match Cap                   | -         | -         | -         |
| B 203    | 90% MDCH Matchable Services/Costs   | 1,662,704 | 1,496,434 | 1,496,434 |
| B 204    | State Services - Payments to MDCH for State Services                          | 173,870   | -         | 173,870   |
| B 205    | Payment into GF ISF   | -         | -         | -         |
| B 290    | TOTAL EXPENDITURE   | 2,027,109 | -         | 2,027,109 |
| B 295    | NET GENERAL FUND SURPLUS (DEFICIT)  | (20,369)  | -         | (20,369)  |
| B 300    | Redirected Funds (To) From  |           |           |           |
| B 301    | (TO) Medicaid - Redirected for Unfunded Medicaid Costs - A331 (PIHP use only) | -         | -         | -         |
| B 301.3  | (TO) ABW - Redirected for Unfunded MH ABW Costs - AC302 (PIHP use only)       | -         | -         | -         |
| B 302    | (TO) SED-GF Benefit - C301  | -         | -         | -         |
| B 303    | (TO) GF Cost of MChild - Required Match - D302                                | (6,786)   | -         | (6,786)   |
| B 304    | (TO) GF Cost of MChild - Above Required Match - D303                          | -         | -         | -         |
| B 305    | (TO) GF Cost of SED - Required Match - E301                                   | -         | -         | -         |
| B 306    | (TO) GF Cost of SED - Above Required Match Screen - E303                      | -         | -         | -         |
| B 307    | (TO) GF Cost of SED - Not SED Waiver eligible - E305                          | -         | -         | -         |
| B 308    | (TO) GF Cost of Children's Wavier - F301                                      | (4,860)   | -         | (4,860)   |
| B 309    | (TO) Allowable GF Cost of Injectable Medications - G301                       | (5,831)   | -         | (5,831)   |
| B 309.5  | (TO) PIHP to Affiliate ABW Services Contracts - IA302                         | -         | -         | -         |
| B 310    | (TO) CMHSP to CMHSP Earned Contracts - J305 (explain - section Q)             | (8,037)   | -         | (8,037)   |
| B 311    | (TO) Substance Abuse - L301   | -         | -         | -         |
| B 312    |   |           |           |           |
| B 313    | FROM CMHSP to CMHSP Earned Contracts - J302                                   | -         | -         | -         |
| B 314    | FROM Non-MDCH Earned Contracts - K302   | -         | -         | -         |
| B 330    | Subtotal Redirected Funds rows 301 - 314                                      | (25,514)  | -         | (25,514)  |
| B 331    | FROM Local Funds - M302   | 45,883    | -         | 45,883    |
| B 332    | FROM Risk Corridor - N303   | -         | -         | -         |
| B 390    | Total Redirected Funds  | 20,369    | -         | 20,369    |
| B 400    | BALANCE GENERAL FUND  | -         | -         | -         |

**OTHER GF CONTRACTUAL OBLIGATIONS**

| <b>C</b> | <b>SED-GF BENEFIT</b>                |   |   |   |
|----------|--------------------------------------|---|---|---|
| C 190    | Revenue                              | - | - | - |
| C 290    | Expenditure                          | - | - | - |
| C 295    | NET SED-GF BENEFIT SURPLUS (DEFICIT) | - | - | - |
| C 300    | Redirected Funds (To) From           |   |   |   |
| C 301    | FROM General Fund - B302             | - | - | - |
| C 302    | FROM Local Funds - M303              | - | - | - |
| C 390    | Total Redirected Funds               | - | - | - |
| C 400    | BALANCE SED-GF BENEFIT (must = 0)    | - | - | - |

**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 10/11     |
|        | SUBMISSION TYPE:                           | YE Final     | YEAR TO DATE |
|        | SUBMISSION DATE:                           | 2/28/2012    | REPORTING    |
|        |  | Column A     | Column B     |

| D |                                |  | Reported | Examination Adjustment | Adjusted Totals |
|---|--------------------------------|--|----------|------------------------|-----------------|
|   | <b>MICHILD - MENTAL HEALTH</b> |  |          |                        |                 |
| D | 1                              | Enter Current MICHild FFP                              | 0.7605   |                        |                 |
| D | 190                            | Revenue  | 34,644   | -                      | 34,644          |
| D | 290                            | Expenditure  | 28,333   | -                      | 28,333          |
| D | 295                            | <b>NET MICHILD SURPLUS (DEFICIT)</b>                   | 6,311    | -                      | 6,311           |
| D | 300                            | <b>Redirected Funds (To) From</b>                      |          |                        |                 |
| D | 301                            | Federal share applied                                  | 21,547   |                        |                 |
| D | 302                            | FROM General Fund - Required Match - <b>B303</b>       | 6,786    | -                      | 6,786           |
| D | 303                            | FROM General Fund - Above Required Match - <b>B304</b> | -        | -                      | -               |
| D | 304                            | FROM Local Funds - <b>M304</b>                         | -        | -                      | -               |
| D | 390                            | <b>Total Redirected Funds</b>                          | 6,786    | -                      | 6,786           |
| D | 400                            | <b>BALANCE MICHILD (cannot be &lt; 0)</b>              | 13,097   | -                      | 13,097          |

**FEE FOR SERVICE MEDICAID**

| E |                   |  |        |   |   |
|---|-------------------|--|--------|---|---|
|   | <b>SED WAIVER</b> |  |        |   |   |
| E | 100               | <b>REVENUE</b>   |        |   |   |
| E | 101a              | FFS Medicaid - Federal portion rcvcd at <u>current year Qtr 1</u> FFP rate - SED-Trad. | 0.7557 | - | - |
| E | 101b              | FFS Medicaid - Federal portion rcvcd at <u>current year Qtr 2</u> FFP rate - SED-Trad. | 0.7274 | - | - |
| E | 101c              | FFS Medicaid - Federal portion rcvcd at <u>current year Qtr 3</u> FFP rate - SED-Trad. | 0.7086 | - | - |
| E | 101d              | FFS Medicaid - Federal portion rcvcd at <u>current year Qtr 4</u> FFP rate - SED-Trad. | 0.6579 | - | - |
| E | 102               | FFS Medicaid - Federal portion rcvcd at <u>subsequent year</u> FFP rate - SED-Trad.    | 0.6614 | - | - |
| E | 103               | FFS Medicaid - SED-DHS   |        |   |   |
| E | 190               | <b>TOTAL REVENUE</b>   | -      | - | - |
| E | 200               | <b>EXPENDITURE</b>   |        |   |   |
| E | 201               | Expenditure - Traditional - Federal Reimbursable                                       |        | - | - |
| E | 202               | Expenditure - Traditional - Not SED waiver eligible                                    |        | - | - |
| E | 203               | Expenditure - SED-DHS - Federal Reimbursable   |        | - | - |
| E | 204               | Expenditure - SED-DHS - Not SED waiver eligible  |        | - | - |
| E | 290               | <b>TOTAL EXPENDITURE</b>   | -      | - | - |
| E | 295               | <b>NET SED WAIVER (DEFICIT)</b>  | -      | - | - |
| E | 300               | <b>Redirected Funds (To) From</b>  |        |   |   |
| E | 301               | FROM General Fund - Required Match - <b>B305</b>                                       | -      | - | - |
| E | 302               | FROM Local Funds - Required Match - <b>M305</b>  | -      | - | - |
| E | 303               | FROM General Fund - Above Required Match Screen - <b>B306</b>                          | -      | - | - |
| E | 304               | FROM Local Funds - Above Required Match Screen - <b>M306</b>                           | -      | - | - |
| E | 305               | FROM General Fund - Not SED Waiver eligible - <b>B307</b>                              | -      | - | - |
| E | 306               | FROM Local Funds - Not SED Waiver eligible - <b>M307</b>                               | -      | - | - |
| E | 390               | <b>Total Redirected Funds</b>  | -      | - | - |
| E | 400               | <b>BALANCE SED WAIVER (must = 0)</b>   | -      | - | - |

| F |                          |  |         |   |         |
|---|--------------------------|--|---------|---|---------|
|   | <b>CHILDREN'S WAIVER</b> |  |         |   |         |
| F | 190                      | Revenue  | 25,698  | - | 25,698  |
| F | 290                      | Expenditure  | 30,558  | - | 30,558  |
| F | 295                      | <b>NET CHILDREN'S WAIVER (cannot be &gt; 0)</b>    | (4,860) | - | (4,860) |
| F | 300                      | <b>Redirected Funds (To) From</b>                  |         |   |         |
| F | 301                      | FROM General Fund - <b>B308</b>                    | 4,860   | - | 4,860   |
| F | 302                      | FROM Local Funds - <b>M308</b>                     | -       | - | -       |
| F | 303                      | FROM Activity not otherwise reported - <b>O301</b> | -       | - | -       |
| F | 390                      | <b>Total Redirected Funds</b>                      | 4,860   | - | 4,860   |
| F | 400                      | <b>BALANCE CHILDREN'S WAIVER (must = 0)</b>        | -       | - | -       |

| G |                               |  |         |   |         |
|---|-------------------------------|--|---------|---|---------|
|   | <b>INJECTABLE MEDICATIONS</b> |  |         |   |         |
| G | 190                           | Revenue  | 22,286  | - | 22,286  |
| G | 290                           | Expenditure  | 28,117  | - | 28,117  |
| G | 295                           | <b>NET INJECTABLE MEDICATIONS (cannot be &gt; 0)</b> | (5,831) | - | (5,831) |
| G | 300                           | <b>Redirected Funds (To) From</b>                    |         |   |         |
| G | 301                           | FROM General Fund - <b>B309</b>                      | 5,831   | - | 5,831   |
| G | 302                           | FROM Local Funds - <b>M309</b>                       | -       | - | -       |
| G | 390                           | <b>Total Redirected Funds</b>                        | 5,831   | - | 5,831   |
| 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**

|        |  |                  |                        |                 |  |
|--------|--|------------------|------------------------|-----------------|--|
| CMHSP: | NORTHEAST MICHIGAN COMMUNITY MENTAL HEALTH | FISCAL YEAR:     | FY 10/11               |                 |  |
|        |  | SUBMISSION TYPE: | YE Final               | YEAR TO DATE    |  |
|        |  | SUBMISSION DATE: | 2/28/2012              | REPORTING       |  |
|        |  | Column A         | Column B               |                 |  |
|        |  | Reported         | Examination Adjustment | Adjusted Totals |  |

**OTHER FUNDING**

| H |     | MDCH EARNED CONTRACTS                           |         |   |         |
|---|-----|---|---------|---|---------|
| H | 100 | <b>REVENUE</b>                                  |         |   |         |
| H | 101 | PASARR  | 118,601 | - | 118,601 |
| H | 102 | DCH Block Grants for CMH services               | 115,070 | - | 115,070 |
| H | 103 | DD Council Grants                               | 4,500   | - | 4,500   |
| H | 104 | PATH/Homeless                                   | 47,288  | - | 47,288  |
| H | 105 | Prevention                                      | -       | - | -       |
| H | 106 | Aging   | -       | - | -       |
| H | 107 | HUD Shelter Plus Care                           | -       | - | -       |
| H | 150 | Other MDCH Earned Contracts (describe):         | -       | - | -       |
| H | 151 | Other MDCH Earned Contracts (describe):         | -       | - | -       |
| H | 152 | Other MDCH Earned Contracts (describe):         | -       | - | -       |
| H | 190 | <b>TOTAL REVENUE</b>                            | 285,459 | - | 285,459 |
| H | 200 | <b>EXPENDITURE</b>                              |         |   |         |
| H | 201 | PASARR  | 118,601 | - | 118,601 |
| H | 202 | DCH Block Grants for CMH services               | 115,070 | - | 115,070 |
| H | 203 | DD Council Grants                               | 4,500   | - | 4,500   |
| H | 204 | PATH/Homeless                                   | 47,288  | - | 47,288  |
| H | 205 | Prevention                                      | -       | - | -       |
| H | 206 | Aging   | -       | - | -       |
| H | 207 | HUD Shelter Plus Care                           | -       | - | -       |
| H | 250 | Other MDCH Earned Contracts (describe):         | -       | - | -       |
| H | 251 | Other MDCH Earned Contracts (describe):         | -       | - | -       |
| H | 252 | Other MDCH Earned Contracts (describe):         | -       | - | -       |
| H | 290 | <b>TOTAL EXPENDITURE</b>                        | 285,459 | - | 285,459 |
| H | 400 | <b>BALANCE MDCH EARNED CONTRACTS (must = 0)</b> | -       | - | -       |

| I |     | PIHP to AFFILIATE MEDICAID SERVICES CONTRACTS - CMHSP USE ONLY             |            |   |            |
|---|-----|--|------------|---|------------|
| I | 100 | <b>REVENUE</b>   |            |   |            |
| I | 101 | Revenue - from PIHP  | 19,885,613 | - | 19,885,613 |
| I | 102 | 1st & 3rd Party Collections - Medicare/Medicaid Consumers - Affiliate      | 665,861    | - | 665,861    |
| I | 190 | <b>TOTAL REVENUE</b>   | 20,551,474 | - | 20,551,474 |
| I | 290 | Expenditure  | 20,551,474 | - | 20,551,474 |
| I | 295 | <b>NET PIHP to AFFILIATE MEDICAID SERVICES CONTRACTS SURPLUS (DEFICIT)</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>  | -          | - | -          |
| I | 400 | <b>BALANCE PIHP to AFFILIATE MEDICAID SERVICES CONTRACTS (must = 0)</b>    | -          | - | -          |

| IA |     | PIHP to AFFILIATE ABW SERVICES CONTRACTS - CMHSP USE ONLY                  |         |   |         |
|----|-----|--|---------|---|---------|
| IA | 100 | <b>REVENUE</b>   |         |   |         |
| IA | 101 | Revenue - MH - from PIHP   | 276,086 | - | 276,086 |
| IA | 102 | Revenue - SA - from PIHP   | -       | - | -       |
| IA | 190 | <b>TOTAL REVENUE</b>   | 276,086 | - | 276,086 |
| IA | 200 | <b>EXPENDITURE</b>   |         |   |         |
| IA | 201 | Expenditure - MH   | 219,661 | - | 219,661 |
| IA | 202 | Expenditure - SA   | -       | - | -       |
| IA | 290 | <b>TOTAL EXPENDITURE</b>   | 219,661 | - | 219,661 |
| IA | 295 | <b>NET PIHP to AFFILIATE ABW SERVICES CONTRACTS SURPLUS (DEFICIT)</b>      | 56,425  | - | 56,425  |
| IA | 300 | <b>Redirected Funds (To) From</b>  |         |   |         |
| IA | 301 | (TO) CMHSP to CMHSP Earned Contracts - J306.5                              | -       | - | -       |
| IA | 302 | FROM General Fund - B309.5   | -       | - | -       |
| IA | 303 | FROM CMHSP to CMHSP Earned Contracts - J303.5                              | -       | - | -       |
| IA | 304 | FROM Non-MDCH Earned Contracts - K303.5                                    | -       | - | -       |
| IA | 305 | FROM Substance Abuse MDCH Contract - L300.5                                | -       | - | -       |
| IA | 306 | FROM Local Funds - M309.5  | -       | - | -       |
| IA | 390 | <b>Total Redirected Funds</b>  | -       | - | -       |
| IA | 400 | <b>BALANCE PIHP to AFFILIATE ABW SERVICES CONTRACTS (cannot be &lt; 0)</b> | 56,425  | - | 56,425  |

| J |       | CMHSP to CMHSP EARNED CONTRACTS                              |         |   |         |
|---|-------|--|---------|---|---------|
| J | 190   | Revenue  | 43,747  | - | 43,747  |
| J | 290   | Expenditure  | 51,784  | - | 51,784  |
| J | 295   | <b>NET CMHSP to CMHSP EARNED CONTRACTS SURPLUS (DEFICIT)</b> | (8,037) | - | (8,037) |
| 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 | 303.5 | (TO) PIHP to Affiliate ABW Services Contracts - IA303        | -       | - | -       |
| J | 304   | FROM Medicaid Services - A301 (PIHP use only)                | -       | - | -       |

**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 10/11               |  |                 |
|----------|--|--|--------------|------------------------|--|-----------------|
|          |  | SUBMISSION TYPE:   | YE Final     | YEAR TO DATE           |  |                 |
|          |  | SUBMISSION DATE:   | 2/28/2012    | REPORTING              |  |                 |
|          |  |  | Column A     | Column B               |  |                 |
|          |  |  | Reported     | Examination Adjustment |  | Adjusted Totals |
| J        | 305  | FROM General Fund - B310   | 8,037        | -                      |  | 8,037           |
| J        | 306  | FROM PIHP to Affiliate Medicaid Services Contracts - I301                | -            | -                      |  | -               |
| J        | 306.5                                      | FROM PIHP to Affiliate ABW Services Contracts - IA301                    | -            | -                      |  | -               |
| J        | 307  | FROM Local Funds - M310  | -            | -                      |  | -               |
| J        | 390  | <b>Total Redirected Funds</b>  | 8,037        | -                      |  | 8,037           |
| J        | 400  | <b>BALANCE CMHSP to CMHSP EARNED CONTRACTS (must = 0)</b>                | -            | -                      |  | -               |
| <b>K</b> |  | <b>NON-MDCH EARNED CONTRACTS</b>   |              |                        |  |                 |
| K        | 190  | Revenue  | 52,616       | -                      |  | 52,616          |
| K        | 290  | Expenditure  | 44,304       | -                      |  | 44,304          |
| K        | 295  | <b>NET NON-MDCH EARNED CONTRACTS SURPLUS (DEFICIT)</b>                   | 8,312        | -                      |  | 8,312           |
| 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        | 303.5                                      | (TO) PIHP to Affiliate ABW Services Contracts - IA304                    | -            | -                      |  | -               |
| K        | 304  | (TO) Local Funds - M315  | (8,312)      | -                      |  | (8,312)         |
| K        | 305  | FROM Local Funds - M311  | -            | -                      |  | -               |
| K        | 390  | <b>Total Redirected Funds</b>  | (8,312)      | -                      |  | (8,312)         |
| 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        | 190  | <b>TOTAL REVENUE</b>   | -            | -                      |  | -               |
| L        | 200  | <b>EXPENDITURE</b>   |              |                        |  |                 |
| L        | 201  | State Agreement  | -            | -                      |  | -               |
| L        | 202  | MiChild - 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        | 300.3                                      | (TO) ABW - Redirected for Unfunded SA ABW Costs - AC303 (PIHP use only)  | -            | -                      |  | -               |
| L        | 300.5                                      | (TO) PIHP to Affiliate ABW Services Contracts - IA305                    | -            | -                      |  | -               |
| 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                                   | 251,229      | -                      |  | 251,229         |
| M        | 102  | County Appropriation for Substance Abuse - Non Public Act 2 Funds        | -            | -                      |  | -               |
| M        | 103  | Section 226 (a) Funds  | 69,915       | -                      |  | 69,915          |
| M        | 104  | Affiliate Local Contribution to State Medicaid Match Provided from CMHSP | -            | -                      |  | -               |
| M        | 105  | Children's Waiver (CWP) Adjuster Payments                                | 42,321       | -                      |  | 42,321          |
| M        | 106  | Local Grants   | -            | -                      |  | -               |
| M        | 107  | Interest   | 16,079       | -                      |  | 16,079          |
| M        | 108  | Public Act 2 - SA  | -            | -                      |  | -               |
| M        | 109  | SED Partner  | -            | -                      |  | -               |
| M        | 110  | All Other Local Funding  | 54,013       | -                      |  | 54,013          |
| M        | 190  | <b>TOTAL REVENUE</b>   | 433,557      | -                      |  | 433,557         |
| M        | 200  | <b>EXPENDITURE</b>   |              |                        |  |                 |
| M        | 201  | GF 10% Local Match   | 166,270      | -                      |  | 166,270         |
| M        | 202  | Local match cap amount   |              |                        |  |                 |
| M        | 203  | GF Local Match Capped per MHC 330.1308                                   | -            | -                      |  | -               |
| M        | 204  | Local Cost for State Provided Services                                   | 19,161       | -                      |  | 19,161          |
| M        | 205  | Local Contribution to State Medicaid Match                               | 250,089      | -                      |  | 250,089         |
| 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  | 538          | -                      |  | 538             |
| M        | 290  | <b>TOTAL EXPENDITURE</b>   | 436,502      | -                      |  | 436,502         |
| M        | 295  | <b>NET LOCAL FUNDS SURPLUS (DEFICIT)</b>                                 | (2,945)      | -                      |  | (2,945)         |
| M        | 300  | <b>Redirected Funds (To) From</b>  |              |                        |  |                 |
| M        | 301  | (TO) Medicaid Services - A332 (PIHP use only)                            |              |                        |  |                 |
| M        | 301.3                                      | (TO) ABW Services - AC304 (PIHP use only)                                | -            | -                      |  | -               |
| M        | 302  | (TO) General Fund - B331   | (45,883)     | -                      |  | (45,883)        |
| M        | 303  | (TO) SED-GF Benefit - 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                                      | -            | -                      |  | -               |



**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 10/11  |
|        |  | SUBMISSION TYPE: | YE Final  |
|        |  | SUBMISSION DATE: | 2/28/2012 |
|        |  | Column A         | Column B  |

|   |       |   | Reported | Examination Adjustment | Adjusted Totals |
|---|-------|---|----------|------------------------|-----------------|
| M | 308   | (TO) Children's Waiver - F302                         | -        | -                      | -               |
| M | 309   | (TO) Injectable Medications - G302                    | -        | -                      | -               |
| M | 309.5 | (TO) PIHP to Affiliate ABW Services Contracts - IA306 | -        | -                      | -               |
| M | 310   | (TO) CMHSP to CMHSP Earned Contracts - J307           | -        | -                      | -               |
| M | 311   | (TO) Non-MDCH Earned Contracts - K305                 | -        | -                      | -               |
| M | 312   | (TO) Substance Abuse - L302                           | -        | -                      | -               |
| M | 313   | (TO) Activity Not Otherwise Reported - O302           | -        | -                      | -               |
| M | 314   |   |          |                        |                 |
| M | 315   | FROM Non-MDCH Earned Contracts - K304                 | 8,312    | -                      | 8,312           |
| M | 390   | <b>Total Redirected Funds</b>                         | (37,571) | -                      | (37,571)        |
| M | 400   | <b>BALANCE LOCAL FUNDS</b>                            | (40,516) | -                      | (40,516)        |

| N | RISK CORRIDOR |  |   |   |   |
|---|---------------|--|---|---|---|
| N | 100           | <b>REVENUE</b>   |   |   |   |
| 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           | <b>TOTAL REVENUE</b>                                       | - | - | - |
| N | 300           | <b>Redirected Funds (To) From</b>                          |   |   |   |
| 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           | <b>Total Redirected Funds</b>                              | - | - | - |
| N | 400           | <b>BALANCE RISK CORRIDOR (must = 0)</b>                    | - | - | - |

| O | ACTIVITY NOT OTHERWISE REPORTED |  |        |   |        |
|---|---------------------------------|--|--------|---|--------|
| O | 100                             | <b>REVENUE</b>   |        |   |        |
| O | 101                             | Other Revenue (describe): Production Revenues (directly offset Expenditures) | 40,698 | - | 40,698 |
| O | 102                             | Other Revenue (describe): Donor Directed Revenues                            | 1,343  | - | 1,343  |
| O | 103                             | Other Revenue (describe):  | -      | - | -      |
| O | 190                             | <b>TOTAL REVENUE</b>   | 42,041 | - | 42,041 |
| O | 200                             | <b>EXPENDITURE</b>   |        |   |        |
| O | 201                             | Other Expenditure (describe): Production Costs (directly offset Revenue)     | 40,698 | - | 40,698 |
| O | 202                             | Other Expenditure (describe): Donor Direct Expenditures                      | 1,343  | - | 1,343  |
| O | 203                             | Other Expenditure (describe):  | -      | - | -      |
| O | 290                             | <b>TOTAL EXPENDITURE</b>   | 42,041 | - | 42,041 |
| O | 295                             | <b>NET ACTIVITY NOT OTHERWISE REPORTED SURPLUS (DEFICIT)</b>                 | -      | - | -      |
| O | 300                             | <b>Redirected Funds (To) From</b>  |        |   |        |
| O | 301                             | (TO) Children's Waiver - F303  | -      | - | -      |
| O | 302                             | FROM Local Funds - M313  | -      | - | -      |
| O | 390                             | <b>Total Redirected Funds</b>  | -      | - | -      |
| O | 400                             | <b>BALANCE ACTIVITY NOT OTHERWISE REPORTED</b>                               | -      | - | -      |

| P | GRAND TOTALS |  |            |   |            |
|---|--------------|--|------------|---|------------|
| P | 190          | <b>GRAND TOTAL REVENUE</b>                     | 23,774,348 | - | 23,774,348 |
| P | 290          | <b>GRAND TOTAL EXPENDITURE</b>                 | 23,745,342 | - | 23,745,342 |
| P | 390          | <b>GRAND TOTAL REDIRECTED FUNDS (must = 0)</b> | -          | - | -          |
| P | 400          | <b>NET INCREASE (DECREASE)</b>                 | 29,006     | - | 29,006     |

| 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 | M101: Alcona County \$37,345, Alpena County \$135,242, Montmorency County \$33,178, Presque Isle County \$45,464. M400 - Prior year fund balance used to meet the deficit.                 |  |
| Q |  |  |
| Q |  |  |
| Q |  |  |
| Q |  |  |
| Q |  |  |
| Q |  |  |
| Q |  |  |
| Q |  |  |
| Q |  |  |
| Q |  |  |

**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 10 / 11  
**SUBMISSION TYPE:** YE Final  
**SUBMISSION DATE:** February 28, 2012

|                        | 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> | <b>\$439</b> |                      | <b>\$427</b> |            |          |                     |                         |       |

|                          |            |      |           |      |      |      |      |            |
|--------------------------|------------|------|-----------|------|------|------|------|------------|
| a. State Report 16007-01 |            |      |           |      |      |      |      |            |
| 1. Days Of Care          | 327        |      | 71        |      |      |      |      | 398        |
| 2. Billed Costs          | \$ 143,553 | \$ - | \$ 30,317 | \$ - | \$ - | \$ - | \$ - | \$ 173,870 |

|                   |            |      |           |      |      |      |      |            |
|-------------------|------------|------|-----------|------|------|------|------|------------|
| b. CMHSP Reported |            |      |           |      |      |      |      |            |
| 1. Days Of Care   | 327        |      | 71        |      |      |      |      | 398        |
| 2. Billed Costs   | \$ 143,553 | \$ - | \$ 30,317 | \$ - | \$ - | \$ - | \$ - | \$ 173,870 |

|   |  |  |  |  |  |  |  |  |
|---|--|--|--|--|--|--|--|--|
| 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: |  |  |  |  |  |  |  |  |
|   |  |  |  |  |  |  |  |  |

| 2. Reconciliation to FSR |   | Expenditures | Narrative of Variance |
|--------------------------|---|--------------|-----------------------|
| a.                       | FSR Expenditures (Line B.204)                                       | \$ 173,870   |                       |
| b.                       | MDCH Recognized State Facility Cost                                 | \$ 173,870   |                       |
| c.                       | Variance  | \$ -         |                       |
| d.                       | State Facility Cost Funded with ISF Abatement (enter as a negative) | \$ (96,008)  |                       |

| 3. State Facility Authorization to Cost Comparison |  | Amount     |
|--|--|------------|
| a.   | State Facility Authorization                                       | \$ 75,146  |
| b.   | State Facility Authorization Surplus (Shortfall) (3.a - 2.b - 2.d) | \$ (2,716) |

| 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 | \$ 173,870          | \$ 103,165                      | \$ 70,705                     | \$ 173,870                  | \$ -                       |

**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 10 / 11  
**SUBMISSION TYPE:** YE Final  
**SUBMISSION DATE:** February 28, 2012

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

|   |            |
|---|------------|
| 1. County Funding - 1979/1980           | \$ 83,304  |
| 2. County Funding - Current Fiscal Year | \$ 251,228 |

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

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

| Service Category             | (1)<br>Individuals<br>Relatives | (2)<br>Insurers<br>Including<br>Medicare | (3)<br>Medicaid<br>Health Plan<br>Organizations | (4)<br>Total |
|------------------------------|---------------------------------|--|---|--------------|
| 1. Inpatient Services        |                                 |  |   | \$ -         |
| 2. Residential Services      | \$ 2,476                        |  |   | \$ 2,476     |
| 3. Community Living Services |                                 | \$ 1,526                                 |   | \$ 1,526     |
| 4. Outpatient Services       | \$ 9,379                        | \$ 139,838                               |   | \$ 149,217   |
| 5. Total                     | \$ 11,856                       | \$ 141,363                               | \$ -  | \$ 153,219   |

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

**Quarterly Summary**

|                   |            |
|-------------------|------------|
| 1. First Quarter  | \$ 30,156  |
| 2. Second Quarter | \$ 31,112  |
| 3. Third Quarter  | \$ 53,701  |
| 4. Fourth Quarter | \$ 38,250  |
| 5. Total          | \$ 153,219 |

**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: 2/28/2012

Contact Person Name: Cheryl Jaworowski, CPA

Please Print

Telephone Number: 989-358-7737

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

**CMHSP:** NORTHEAST MICHIGAN COMMUNITY MENTAL HEALTH  
**FISCAL YEAR:** FY 10 / 11  
**SUBMISSION TYPE:** YE Final  
**SUBMISSION DATE:** February 28, 2012

| 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            | \$ 95,798                              | \$ 210   | \$ -                                      | \$ (96,008)                              |                                     |   | \$ -               |

**MDCH/CMHSP Managed Mental Health Supports and Services Contract (GF):**

**Section 7.7.3 - Abatement of GF ISF**

Any existing GF ISF will be abated in FY 11. The CMHSP will no longer fund or maintain a GF ISF for financial risk.

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

**PIHP:** NOT APPLICABLE  
**FISCAL YEAR:** SELECT  
**SUBMISSION TYPE:** SELECT  
**SUBMISSION DATE:**

| 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  
SHARED RISK CALCULATION & RISK FINANCING**

**PIHP:** NOT APPLICABLE  
**FISCAL YEAR:** SELECT  
**SUBMISSION TYPE:** SELECT  
**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)  |  |  | \$ -       | \$ -       | \$ -                |

**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 - <b>J304</b>                        | - |   |   |   |   |   |   |   | - |
| A 302 | FROM CMHSP to CMHSP Earned Contracts - <b>J301</b> (explain - section AB) |   |   |   |   |   |   |   |   | - |
| A 303 | FROM Non-MDCH Earned Contracts - <b>K301</b> (explain - section AB)       |   |   |   |   |   |   |   |   | - |
| A 325 | Info only - Affiliate Total Redirected Funds - <b>I390</b>                |   |   |   |   |   |   |   |   | - |
| A 330 | <b>Subtotal Redirected Funds rows 301 - 303</b>                           | - | - | - | - | - | - | - | - | - |
| A 331 | FROM General Fund - Redirected to Unfunded Medicaid Costs - <b>B301</b>   |   |   |   |   |   |   |   |   | - |
| A 332 | FROM Local Funds - <b>M301</b>  |   |   |   |   |   |   |   |   | - |
| A 333 | FROM Risk Corridor - PIHP Share - <b>N301</b>                             |   |   |   |   |   |   |   |   | - |
| A 334 | FROM Risk Corridor - MDCH Share - <b>N302</b>                             |   |   |   |   |   |   |   |   | - |
| 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. |
| AB |  |
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**MDCH/PIHP ADULT BENEFIT WAIVER (ABW) PROGRAM CONTRACT  
FINANCIAL STATUS REPORT - ABW**

|                      |                     |                        |             |     |     |     |     |     |     |            |
|----------------------|---------------------|------------------------|-------------|-----|-----|-----|-----|-----|-----|------------|
| 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      | ADULT BENEFIT WAIVER SERVICES - PIHP USE ONLY                   |   |   |   |   |   |   |   |   |   |
|--------|---|---|---|---|---|---|---|---|---|---|
| A 100  | REVENUE   |   |   |   |   |   |   |   |   |   |
| AC 101 | Revenue - Mental Health   |   |   |   |   |   |   |   |   |   |
| AC 102 | ABW - Mental Health   |   |   |   |   |   |   |   |   | - |
| AC 103 | ABW - Affiliate Contracts - MH                                  | - |   |   |   |   |   |   |   | - |
| AC 120 | Subtotal Revenue - Mental Health                                | - | - | - | - | - | - | - | - | - |
| AC 130 | Revenue - Substance Abuse                                       |   |   |   |   |   |   |   |   |   |
| AC 131 | ABW - Substance Abuse   |   |   |   |   |   |   |   |   | - |
| AC 132 | ABW - Affiliate Contracts - SA                                  | - |   |   |   |   |   |   |   | - |
| AC 140 | Subtotal Revenue - Substance Abuse                              | - | - | - | - | - | - | - | - | - |
| AC 190 | TOTAL REVENUE   | - | - | - | - | - | - | - | - | - |
| AC 200 | EXPENDITURE   |   |   |   |   |   |   |   |   |   |
| AC 201 | Expenditure - Mental Health                                     |   |   |   |   |   |   |   |   |   |
| AC 202 | PIHP Use Tax Liability - MH                                     |   |   |   |   |   |   |   |   | - |
| AC 203 | ABW Services - MH   |   |   |   |   |   |   |   |   | - |
| AC 220 | Subtotal Expenditure - Mental Health                            | - | - | - | - | - | - | - | - | - |
| AC 230 | Expenditure - Substance Abuse                                   |   |   |   |   |   |   |   |   |   |
| AC 231 | PIHP Use Tax Liability - SA                                     |   |   |   |   |   |   |   |   | - |
| AC 232 | ABW Services - SA   |   |   |   |   |   |   |   |   | - |
| AC 240 | Subtotal Expenditure - Substance Abuse                          | - | - | - | - | - | - | - | - | - |
| AC 290 | TOTAL EXPENDITURE   | - | - | - | - | - | - | - | - | - |
| AC 291 | Subtotal Net ABW Services Surplus (Deficit) - MH                | - | - | - | - | - | - | - | - | - |
| AC 292 | Subtotal Net ABW Services Surplus (Deficit) - SA                | - | - | - | - | - | - | - | - | - |
| AC 295 | SUBTOTAL NET ABW SERVICES SURPLUS (DEFICIT)                     | - | - | - | - | - | - | - | - | - |
| AC 300 | Redirected Funds (To) From                                      |   |   |   |   |   |   |   |   |   |
| AC 301 | Affiliate Total Redirected Funds -IA390                         |   |   |   |   |   |   |   |   | - |
| AC 302 | FROM General Fund - Redirected to Unfunded MH ABW Costs -B301.3 |   |   |   |   |   |   |   |   | - |
| AC 303 | FROM Substance Abuse MDCH Contract -L300.3                      |   |   |   |   |   |   |   |   | - |
| AC 304 | FROM Local Funds -M301.3  |   |   |   |   |   |   |   |   | - |
| AC 390 | Total Redirected Funds  | - | - | - | - | - | - | - | - | - |
| AC 400 | BALANCE ABW SERVICES  | - | - | - | - | - | - | - | - | - |

| AB | REMARKS   |
|----|---|
| AB | Remarks may be added about any entry or activity on the report for which additional information may be useful. Please note risk management arrangement between PIHP and Affiliates. |
| AB |   |
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**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 10 / 11  
**SUBMISSION TYPE:** YE Final  
**SUBMISSION DATE:** February 28, 2012

| 1. General Fund Services - Available Resources        | Funding Resources |
|---|-------------------|
| a. CMH Operations (FSR B 101)                         | 1,689,328         |
| b. Categorical (FSR B 102)                            | -                 |
| c. State Services (FSR B 103)                         | 75,146            |
| d. Sub-Total General Fund Contract Resources          | \$ 1,764,474      |
| e. 1st & 3rd Party Collections (FSR B 121 + B 122)    | 52,691            |
| f. Prior Year GF Carry-Forward (FSR B 123)            | 93,567            |
| g. ISF Abatement - State Facility (FSR B 124)         | 96,008            |
| 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             | \$ 242,266        |
| k. Local 10% Associated to 90/10 Services (FSR M 201) | 166,270           |
| l. Local 10% Match Cap Adjustment (FSR M 203)         | -                 |
| m. Sub-Total Local 10% Associated to 90/10 Services   | \$ 166,270        |
| n. Total General Fund Services - Resources            | \$ 2,173,010      |

| 3. Summary of Resources / Expenditures               | Amount      |
|--|-------------|
| a. Total General Fund Services - Resources           | 2,173,010   |
| b. Total General Fund Services - Expenditures        | 2,218,893   |
| c. Sub-Total General Fund Services Surplus (Deficit) | \$ (45,883) |
| d. Less: Forced Lapse to MDCH                        | -           |
| e. Net General Fund Services Surplus (Deficit)       | \$ (45,883) |

| 4. Disposition:                                       | Amount    |
|---|-----------|
| <b>Surplus</b>  |           |
| b. Transfer to Fund Balance - GF Carry-Forward Earned | -         |
| c. Lapse to MDCH - Contract Settlement                | -         |
| d. Total Disposition - Surplus                        | \$ -      |
| <b>Deficit</b>  |           |
| f. Redirected from Local (FSR B 331)                  | 45,883    |
| g. Redirected from ISF (FSR B 332)                    | -         |
| h. Total Disposition - Deficit                        | \$ 45,883 |

| 5. Cash Settlement: (Due MDCH) / Due CMHSP         | Amount |
|--|--------|
| a. Forced Lapse to MDCH                            | -      |
| b. Lapse to MDCH - Contract Settlement             | -      |
| c. Return of Prior Year General Fund Carry-Forward | -      |
| d. State Facility                                  | -      |
| e. Contract Authorization - Late Amendment         | -      |
| f. Misc:   | -      |
| g. Total Cash Settlement: (Due MDCH) / Due CMHSP   | \$ -   |

| 2. General Fund Services - Expenditures                                     | 90/10 - Local Cap | Expenditures |
|---|-------------------|--------------|
| a. 100% MDCH Matchable Services (FSR B 201)                                 |                   | 356,805      |
| b. 100% MDCH Matchable Services - CMHSP Local Match Cap (FSR B 202)         |                   | -            |
| c. 90/10% MDCH Matchable Services (FSR B 203 Column A)                      | 1,662,704         | -            |
| d. Local 10% Match Cap Adjustment (FSR M 203)                               | -                 | 1,662,704    |
| e. State Services (FSR B 204)   |                   | 173,870      |
| f. Payment into GF ISF (FSR B 205)  |                   | -            |
| g. Sub-Total General Fund Services - Expenditures                           |                   | \$ 2,193,379 |
| h. GF Supplement for Unfunded Medicaid (FSR B 301)                          |                   | -            |
| i. GF Supplement for SED-GF Benefit (FSR B 302)                             |                   | -            |
| j. GF Supplement / Match for MICHild (FSR B 303 & B 304)                    |                   | 6,786        |
| k. GF Supplement / Match for SED (FSR B 305 + B 306 + B 307)                |                   | -            |
| l. GF Supplement for Children's Waiver (FSR B 308)                          |                   | 4,860        |
| m. GF Supplement for Injectable Medications (FSR B 309)                     |                   | 5,831        |
| n. GF Supplement for CMHSP to CMHSP Contracts (FSR B 310)                   |                   | 8,037        |
| o. GF Supplement for Substance Abuse (FSR B 311)                            |                   | -            |
| p. GF Supplement for Unfunded MH ABW (FSR B 301.3)                          |                   | -            |
| q. GF Supplement for PIHP to Affiliate ABW Services Contracts (FSR B 309.5) |                   | -            |
| r. Intentionally left blank   |                   | -            |
| p. Sub-Total General Fund Services Supplement - Expenditures                |                   | \$ 25,514    |
| q. Total General Fund Services - Expenditures                               |                   | \$ 2,218,893 |

| 6. General Fund MDCH Commitment           |              |
|---|--------------|
| MDCH / CMHSP Contract Funded Expenditures | 1,764,474    |
| Earned General Fund Carry-Forward         | -            |
| Total MDCH General Fund Commitment        | \$ 1,764,474 |

| General Fund Carry Forward Earned |      |
|-----------------------------------|------|
| Examined                          | \$ - |
| Original Settlement               | -    |
| 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 10 / 11  
**SUBMISSION TYPE:** YE Final  
**SUBMISSION DATE:** February 28, 2012

| 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  | 1,689,328              | 1,689,328     | -                              | 1,689,328    | -   |
| b. Categorical   | -                      | -             | -                              | -            | -   |
| c. State Facility  | 75,146                 | 75,146        | -                              | 75,146       | -   |
| d. Total Current FY GF Authorization / Cash Received / Cash Settlement | \$ 1,764,474           | \$ 1,764,474  | \$ -                           | \$ 1,764,474 | \$ -                                      |

| 2. Current Year - General Fund Carry-Forward - Maximum | Contract Authorization | Maximum C/F |
|--|------------------------|-------------|
| a. CMH Operations                                      | 1,689,328              |             |
| b. State Facility                                      | 75,146                 |             |
| c. Total Current Year Maximum Carry-Forward            | \$ 1,764,474           | \$ 88,224   |

| 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               | 93,567 |  |
| b. Prior Year GF Carry-Forward (FSR B 123)          | 93,567 |  |
| 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**

**Northeast Michigan Community Mental Health Authority**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the Year Ended September 30, 2011

**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  No

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

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

Known fraud identified?  Yes  No

**Adult Benefits Waiver Program**

Type of accountants' report issued on compliance: Unqualified

Internal control over Adult Benefits Waiver program:  
Material weakness(es) identified?  Yes  No

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

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

Known fraud identified?  Yes  No

**General Fund Program**

Type of accountants' report issued on compliance: Unqualified

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

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

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

Known fraud identified?  Yes  No

**Northeast Michigan Community Mental Health Authority**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued**

For the Year Ended September 30, 2011

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

**CMHS Block Grant Program**

Type of accountants' report issued on compliance: Unqualified

Internal control over CMHS Block Grant 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

**SECTION II - FINDINGS AND QUESTIONED COSTS**

None.

**SECTION III - EXAMINATION ADJUSTMENTS**

None.

**SECTION IV – PRIOR YEAR 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.

# **Northeast Michigan Community Mental Health Authority**

## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued**

For the Year Ended September 30, 2011

### **SECTION IV - PRIOR YEAR FINDINGS AND QUESTIONED COSTS - Continued**

**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.

### **CURRENT YEAR STATUS:**

All required documentation was found in consumer files tested for the year ended September 30, 2011.

**Northeast Michigan Community Mental Health Authority**

COMMENTS AND RECOMMENDATIONS

For the Year Ended September 30, 2011

None.