



**COMMUNITY MENTAL
HEALTH PARTNERSHIP**

of Southeast Michigan

**FISCAL YEAR 2020
BUDGET**

In Partnership with:

Lenawee CMHA

CMH Services of Livingston County

Monroe CMHA

Washtenaw County CMH

To provide quality behavioral health care that promotes recovery and wellness, fosters resilience and supports self determination and empowerment so that individuals served in our four-county region are successful in achieving their personal goals and dreams.

Mission, responsibilities and budget development approach

Community Mental Health Partnership of Southeast Michigan shall be responsible for the operation of the Concurrent 2015(b)/(c) Waiver, SUD Community Grant, the Healthy Michigan Plan, Autism Benefit under iSPA, and other public funding within its designated service area. The PIHP shall also be responsible for the development of the service delivery system and the establishment of sufficient administrative capabilities to carry out the requirements and obligations of the Specialty Services contract.

Community Mental Health Partnership of Southeast Michigan's areas of responsibility includes:

Financial Management

Service Delivery System Development

Oversight Monitoring of the following delegated functions

Access Assurance

Provider Network Services

Quality Assessment/Performance Improvement

Service and Utilization Management

Customer Services

Regulatory Management – Corporate Compliance

PA 500 and Application for Participation Requirements

SUD Treatment and Prevention Services and special funding requirements

Adherence to all Contract Attachments including SUD Policy Manual

Revenue for FY2020

State Plan/ B3 Medicaid Capitation (Mental Health and SUD services)

Habilitation Supports Waiver

Childrens Waiver

SED Waiver

Autism Benefit

Healthy Michigan Plan

SUD Community Grant Funds

PA 2 Funds (governed by Oversight Policy Board)



Fiscal Year 2020 Preliminary Budget Objectives, Assumptions and Strategies

Community Mental Health Partnership of Southeast Michigan is using the following objectives, assumptions and strategies to prepare the beginning FY20 budget to be presented at the September 2019 board meeting. Amendments will be presented throughout the year to recognize any changes in assumptions or contractual obligations and updates to PIHP rates established by MDHHS.

CMHPSM FY20 Budget Objectives:

1. Fiscal Year 2020 budget will be presented at the September 2019 Board of Directors meeting.
2. The proposed budget will uphold the mission and vision of CMHPSM.
3. The fiscal year 2020 budget will deliver a responsible balance of financial management, oversight monitoring, regulatory management, an accountable service delivery system, and an adherence to the contracts entered into with the Michigan Department of Health and Human Services (MDHHS).

CMHPSM FY20 Assumptions:

1. The preliminary budget will use the fiscal year 2020 rates applied to Traditional Medicaid Eligibles and HMP Enrollees listings for the CMHPSM region.
2. CMHPSM will trend those Traditional Medicaid Eligibles and HMP Enrollees from the most current listing to apply the rates.
3. The Risk-Based Funding Allocation Model that provides an actuarially sound model using the risk weights will be used to establish the CMHSP allocation of Medicaid and Healthy Michigan Plan Capitated expenditures. Projections of Waiver allocations will be based on the most current utilizations for CMHSP expenditures. Autism allocations will be based on the prior rolling fiscal year utilization.
4. Administrative expenditures will be based on fiscal year 2019 actual year to date information updated with the board approved salary schedule and any projected increases in fringes/contracted services.

CMHPSM Strategies:

1. CMHPSM will collaborate with CMHSP's to establish a consistent and reasonable methodology to balance the budget as a PIHP in whole.
2. CMHPSM has coordinated with CMHSP's to review current year budgets and actual expenditures.
3. A shared decision model will be utilized to complete the fiscal year 2020 budget to be presented to the board for approval.
4. CMHPSM will collaborate with the CMHSP's to identify key areas to increase revenue and reduce expenditures.

Fiscal Year 2020 Budget Overview

Total Revenues Projected for FY2016 for all fund sources:

\$186,109,421

Partnership Capitated Allocations for Medicaid and HMP:

Lenawee CMHA	\$20,418,362
CMH Services of Livingston County	\$30,425,637
Monroe CMHA	\$31,294,417
Washtenaw County CMH	\$75,690,255

Substance Use Disorder Prevention and Treatment (by County):

Lenawee	\$2,205,015
Livingston	\$1,957,859
Monroe (managed by CMHPSM)	\$2,088,693
Washtenaw (managed by CMHPSM)	\$6,223,491
State Targeted Response	\$ 974,954
State Opioid Response	\$1,116,363

Other Contractual Costs \$8,082,515

Hospital Rate Adjuster
HICA
Local Match

Administrative Costs \$ 4,138,594

Salary and Fringe
Contracts
Infrastructure (space and systems)
Training
Supplies

Community Mental Health Partnership of Southeast Michigan FY 2020 Preliminary Revenue Budget

	FY18 Final Actual	FY19 Final Budget	Preliminary FY20 Budget	Increase (Decrease)	
Operating Revenue					
Medicaid Capitation SP/B3	86,162,566	90,118,463	95,143,183	5,024,720	1
Medicaid Capitation HSW	40,895,416	43,998,199	46,803,340	2,805,141	1
Performance Based Incentive Pool	1,519,195	1,499,519	1,503,268	3,749	1
Medicaid SUD Capitation	2,386,207	2,427,015	2,572,636	145,621	1
Healthy Michigan Plan	9,512,960	12,566,962	13,320,980	754,018	1
Healthy Michigan Plan SUD	4,268,184	4,427,786	4,693,454	265,668	1
Autism	6,810,285	9,480,753	10,290,788	810,035	1
SUD Community Block Grant	5,259,303	8,762,796	5,999,850	(2,762,946)	2
Block Grants	155,098	430,000	447,733	17,733	2
SUD PA2 - Cobo Tax Revenue	1,515,433	1,860,059	1,860,059	-	
SUD PA2 - Cobo Tax Use of Reserve	-	1,564,432	1,564,432	-	
Local Match	1,577,780	1,577,780	1,577,780	-	
Other Revenue	383,074	331,920	331,920	-	
Risk Shared Corridor - MDHHS	7,517,412	2,144,353	-	(2,144,353)	3
Risk Shared Corridor - CMHPSM	6,986,002	-	-	-	
Anticipated Medicaid Revenue		10,295,312	-	(10,295,312)	3
Total Revenue	\$ 174,948,915	\$ 191,485,349	\$ 186,109,423	\$ (5,375,926)	

Community Mental Health Partnership of Southeast Michigan FY 2020 Preliminary Expenditure Budget

Funding For CMHSP Partners

Lenawee CMHSP	17,838,829	17,142,675	20,418,362	3,275,687	4
Livingston CMHSP	28,860,789	30,018,142	30,425,637	407,495	4
Monroe CMHSP	32,290,413	33,151,499	31,294,417	(1,857,082)	4
Washtenaw CMHSP	78,289,087	80,056,896	75,690,255	(4,366,641)	4
Total Funding For CMHSP Partners	\$ 157,279,118	\$ 160,369,212	\$ 157,828,671	\$ (2,540,541)	

Funding For SUD Services

Lenawee County	1,747,516	2,170,015	2,195,015	25,000	2
Livingston County	2,012,432	2,050,825	1,957,859	(92,965)	2
Monroe County	1,937,478	2,208,660	2,088,693	(119,967)	2
Washtenaw County	6,841,234	7,747,563	6,223,491	(1,524,072)	2
State Targeted Response	-	1,767,719	974,954	(792,765)	2
State Opioid Response	-	1,117,055	1,116,363	(692)	2
Total Funding For SUD Services	\$ 12,538,660	\$ 17,061,837	\$ 14,556,375	\$ (2,505,461)	

Other Contractual Obligations

Hospital Rate Adjuster	2,154,909	4,819,584	4,819,584	-	
Taxes (HICA/USE/IPA)	1,179,255	1,685,151	1,685,151	-	
Local Match	1,577,780	1,577,780	1,577,780	-	
Total Other Costs	\$ 4,911,944	\$ 8,082,515	\$ 8,082,515	\$ -	

CMHPSM Administrative Costs

Salary & Fringe	1,933,317	2,473,693	2,317,605	(156,088)	5
Administrative Contracts	1,134,060	1,714,002	1,536,417	(177,585)	2,6
Board Expense	2,704	2,750	2,750	-	
All Other Costs	131,672	281,822	281,822	-	
Total Administrative Expense	\$ 3,201,753	\$ 4,472,267	\$ 4,138,594	\$ (333,673)	

Risk Reserve Provision		\$ 1,499,519	\$ 1,503,268	3,749	7
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Total Expense	\$ 177,931,475	\$ 191,485,349	\$ 186,109,423	\$ (5,375,926)	
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Revenues over (under) Expenditures	\$ (2,982,560)	\$ -	\$ -	\$ -	
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Community Mental Health Partnership of Southeast Michigan FY 2020 Preliminary Revenue Budget

- 1 Increase in capitated revenue categories based on preliminary rate development entity specific revenue percentage changes. The revenues will be adjusted in the first budget amend based on final certified rates anticipated to be released before October 1, 2019.
- 2 SUD community block grant revenues reduced based on initial MDHHS allocations. Revenue reductions correlate with expenditure reductions.
- 3 Initial budget including the Administration budget, must be balanced with the revenues being projected to be received from the Michigan Department of Health and Human Services (MDHHS) per the financial stability and risk reserve board governance policy
- 4 Partner allocations use the Risk-Based Funding Model applied to the current year projected funding for mental health across all sources except Hab support waiver (HSW) and autism to have an actuarially sound model using the risk weights to establish the preliminary budgets. HSW is based on weighted average of the recipient months and autism is allocated based on a rolling 12 month service delivery.
- 5 Reduction in administrative salaries and fringes is reflective of the completed payment of the prior CEO contract and the change in salary steps of new staff.
- 6 The contract line includes the reduction of expenditures due to the decrease in SUD block grant for contracts moved to the SUD section of the budget and an increase to office space expense netting to a reduction.
- 7 Increase in risk reserve provision correlates with the performance bonus incentive pool (PBIP) increase and represents the amount stated in our deficit elimination plan. The amounts represented in the projection for PBIP are withholds made in relation to our Medicaid Managed Specialty Supports and Services contract and related capitated payments.