



**COMMUNITY MENTAL
HEALTH PARTNERSHIP**
of **Southeast Michigan**

**FISCAL YEAR 2019
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 1915(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 FY2019

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

Habilitation Supports Waiver

Autism Benefit

Healthy Michigan Plan

SUD Community Grant Funds

PA 2 Funds (governed by Oversight Policy Board)



Fiscal Year 2019 Beginning Budget Objectives, Assumptions and Strategies

Community Mental Health Partnership of Southeast Michigan is using the following objectives, assumptions and strategies to prepare the beginning FY19 budget. Budget amendments will be presented throughout the year, on a quarterly basis, to recognize any changes in assumptions or contractual obligations.

CMHPSM FY19 Budget Objectives:

1. Fiscal Year 2019 budget will be presented at the September 2018 Board of Directors meeting.
2. The proposed budget will uphold the mission and vision of CMHPSM.
3. The fiscal year 2019 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 FY19 Assumptions:

1. Rates will not be released by MDHHS until early September 2018. The preliminary budget will use the fiscal year 2018 rates applied to Traditional Medicaid Eligibles and HMP Enrollees listings for the CMHPSM region. The budget will be amended as soon as rates are released, verified and applied to the current eligible listing.
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.
4. Administrative expenditures will be based on fiscal year 2018 actual year to date information, will include 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 2019 budget to be presented to the board for approval.
4. CMHPSM in collaboration with the CMHSP's has identified four key areas to increase revenue and reduce expenditures. These areas include:
 - autism advocacy
 - reviewing community living supports authorizations as it is aligned through the state-wide parody
 - inpatient diversion
 - seeking full utilization of habilitation supports waiver slots

Fiscal Year 2019 Budget Overview

Total Revenues Projected for FY2016 for all fund sources:

\$164,857,900

Partnership Capitated Allocations for Medicaid and HMP:

Lenawee CMHA	\$17,345,491
CMH Services of Livingston County	\$26,020,720
Monroe CMHA	\$27,878,110
Washtenaw County CMH	\$69,340,230

Substance Use Disorder Prevention and Treatment (by County):

Lenawee	\$2,113,893
Livingston	\$2,868,451
Monroe (managed by CMHPSM)	\$2,634,512
Washtenaw (managed by CMHPSM)	\$7,859,236

Other Contractual Costs \$4,844,622

Hospital Rate Adjuster
HICA
Local Match

Administrative Costs \$ 3,952,546

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

**Community Mental Health Partnership of Southeast Michigan
FY19 Preliminary Budget**

	FY17 Final Actual	Final FY18 Amended Budget	Preliminary FY19 Budget	Increase (Decrease)	
Operating Revenue					
Medicaid Capitation	\$126,603,016	\$128,824,711	\$128,824,711	-	
Performance Based Incentive Pool		1,133,238	\$1,133,238	-	
Medicaid SUD Capitation	1,538,292	2,264,122	\$2,264,122	-	
Medicaid Carryforward	5,107,828				
Healthy Michigan Plan	9,429,666	8,992,448	\$8,992,448	-	
Healthy Michigan Plan SUD	3,213,525	4,154,073	\$4,154,073	-	
Healthy Michigan Carryforward	1,721,947				
Autism	4,983,514	6,863,011	\$6,863,011	-	
SUD Community Block Grant	4,117,396	6,414,335	\$6,909,480	495,145	a
Block Grants	183,805	386,626	\$386,626	-	
SUD PA2 - Cobo Tax Revenue	1,819,703	1,826,092	\$1,860,059	33,967	b
SUD PA2 - Cobo Tax Use of Reserve	279,941	1,598,399	\$1,564,432	(33,967)	b
Local Match	1,577,780	1,577,780	\$1,577,780	-	
Other Revenue	260,803	327,921	\$327,921	-	
Local Risk Corridor CMHSP's share		2,688,283		(2,688,283)	c
Shared Risk Corridor MDHHS share		2,688,283		(2,688,283)	c
Use of Risk Reserve	4,310,554	7,135,209		(7,135,209)	c
Total Revenue	\$165,147,770	\$176,874,530	\$164,857,900	(12,016,630)	
Funding For CMHSP Partners					
Lenawee CMHSP	16,392,355	17,656,948	17,345,491	(311,457)	c
Livingston CMHSP	26,206,636	28,485,189	26,020,720	(2,464,469)	c
Monroe CMHSP	30,052,045	30,968,952	27,878,110	(3,090,842)	c
Washtenaw CMHSP	72,899,744	75,985,237	69,340,230	(6,645,007)	c
Total Funding For CMHSP Partners	\$ 145,550,780	\$153,096,326	\$140,584,551	(12,511,775)	
Funding For SUD Services					
Lenawee County	1,923,918	\$2,073,579	2,113,893	40,314	a
Livingston County	1,853,859	\$2,813,747	2,868,451	54,704	a
Monroe County	1,578,301	\$2,584,269	2,634,512	50,243	a
Washtenaw County	5,576,104	\$7,709,441	7,859,326	149,885	a
Total Funding For SUD Services	\$ 10,932,182	\$15,181,036	\$15,476,181	295,145	
Other Contractual Obligations					
Hospital Rate Adjuster	2,090,086	2,207,816	2,207,816	-	
USE and HICA Tax	2,573,265	1,059,026	1,059,026	-	
Local Match	1,577,780	1,577,780	1,577,780	-	
Total Other Costs	\$6,241,131	\$4,844,622	\$4,844,622	-	
CMHPSM Administrative Costs					
Salary & Fringe	1,312,698	2,137,588	2,212,588	75,000	a
Administrative Contracts	913,451	1,398,669	1,523,669	125,000	a
Board Expense	1,985	4,400	4,400	-	
All Other Costs	194,283	211,889	211,889	-	
Total Administrative Expense	\$2,422,417	\$3,752,546	\$3,952,546	200,000	
Risk Reserve Provision					
Total Expense	\$165,146,510	\$176,874,530	\$164,857,900	(12,016,630)	
Revenues over (under) Expenditures	\$1,261	\$0	\$(0)	(0)	

Community Mental Health Partnership of Southeast Michigan FY19 Preliminary Budget

a -Increase Block Grant for Gambling Prevention of \$200,000, correlates with increase of expenditures and increase of \$295,145 for the State Targeted Response funding, correlates with increase of expenditures.

b - PA2 revenue increased based on Convention Facility Fund Projected Distributions resulting in decrease of needed projected utilization of PA2 reserves.

c - Decrease of use of risk reserve and shared risk corridor utilization, correlates with expenditure decrease