



**COMMUNITY MENTAL  
HEALTH PARTNERSHIP**  

---

**of Southeast Michigan**

**FISCAL YEAR 2018  
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 FY2018**

*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 2018 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 FY18 budget. Budget amendments will be presented throughout the year, on a quarterly basis, to recognize any changes in assumptions or contractual obligations.

### CMHPSM FY18 Budget Objectives:

1. Fiscal Year 2018 budget is being presented at the September 2017 Board of Directors meeting.
2. The proposed budget upholds the mission and vision of CMHPSM.
3. The fiscal year 2018 budget delivers 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 FY18 Assumptions:

1. Rates released by MDHHS will be applied to Traditional Medicaid Eligibles and HMP Enrollees listings for the CMHPSM region.
2. CMHPSM trended those Traditional Medicaid Eligibles and HMP Enrollees from the most current listing to apply the rates.
3. Administrative expenditures include a tiered salary step model based on the existing Board approved salary ranges.
4. Proposed changes in the Medicaid 1115 waiver submitted to the Center for Medicare and Medicaid Services (CMS) by MDHHS will not be applied until final approval is received from CMS.

### CMHPSM Strategies:

1. CMHPSM collaborated with CMHSP's to establish a consistent and reasonable methodology to balance the budget as a PIHP in whole.
2. CMHPSM coordinated with CMHSP's to review current year budgets and actual expenditures.
3. A shared decision model was utilized to complete the fiscal year 2018 budget to be presented to the board for approval.
4. Risk-Based Funding Model is applied to the FY18 projected funding for mental health using an actuarially sound model using the risk weights to establish the allocation proposed for partners.

## Fiscal Year 2018 Budget Overview

Total Revenues Projected for FY2016 for all fund sources:

\$163,852,762

Partnership Capitated Allocations for Medicaid and HMP:

Lenawee CMHA	\$17,359,056
CMH Services of Livingston County	\$26,041,069
Monroe CMHA	\$27,899,912
Washtenaw County CMH	\$69,394,457

Substance Use Disorder Prevention and Treatment (by County):

Lenawee	\$2,029,879
Livingston	\$2,604,448
Monroe (managed by CMHPSM)	\$2,379,806
Washtenaw (managed by CMHPSM)	\$7,546,966

Other Contractual Costs \$4,844,622

Hospital Rate Adjuster  
HICA  
Local Match

Administrative Costs \$ 3,752,547

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

**Community Mental Health Partnership of Southeast Michigan  
FY18 Preliminary Budget Amend**

	FY16 Final Actual	Final FY17 Amended Budget	Preliminary FY18 Budget	Increase (Decrease)	
<b>Operating Revenue</b>					
Medicaid Capitation	\$132,805,532	\$128,341,084	125,988,782	(2,352,302)	a
Medicaid SUD Capitation	1,667,188	1,302,779	2,119,183	816,404	a
Medicaid Carryforward	1,473,549	5,107,828	-	(5,107,828)	b
Healthy Michigan Plan	7,248,999	9,467,330	8,852,092	(615,238)	a
Healthy Michigan Plan SUD	3,177,753	3,189,530	4,243,420	1,053,890	a
Healthy Michigan Carryforward	5,224,847	1,721,947	-	(1,721,947)	b
Autism	2,118,887	4,421,285	6,100,000	1,678,715	a
SUD Community Block Grant	3,541,509	5,274,005	5,274,005	-	
Block Grants	34,569	363,942	386,626	22,684	c
SUD PA2 - Cobo Tax Revenue	867,307	1,819,704	1,826,092	6,388	d
Reserved SUD PA2		400,000	1,598,399	1,198,399	e
Local Match	1,577,780	1,577,780	1,577,780	-	
Health Home Revenue	715,584			-	
Other Revenue	220,784	253,225	327,921	74,696	f
Use of Risk Reserve	-	1,601,422	5,558,461	3,957,039	g
<b>Total Revenue</b>	<b>\$160,674,288</b>	<b>\$164,841,861</b>	<b>\$163,852,762</b>	<b>(989,099)</b>	
<b>Funding For CMHSP Partners</b>					
Lenawee CMHSP	15,546,651	16,777,106	17,359,056	581,950	h
Livingston CMHSP	24,291,053	25,828,009	26,041,069	213,060	h
Monroe CMHSP	26,412,726	28,932,113	27,899,912	(1,032,201)	h
Washtenaw CMHSP	66,378,375	72,807,687	69,394,457	(3,413,230)	h
<b>Total Funding For CMHSP Partners</b>	<b>\$ 132,628,805</b>	<b>\$144,344,915</b>	<b>\$140,694,494</b>	<b>(3,650,421)</b>	
<b>Funding For SUD Services</b>					
Lenawee County	1,363,409	\$1,501,705	2,029,879	528,174	i
Livingston County	1,302,020	\$1,926,771	2,604,448	677,677	i
Monroe County	1,437,238	\$1,760,581	2,379,806	619,225	i
Washtenaw County	4,478,695	\$5,583,247	7,546,966	1,963,719	i
<b>Total Funding For SUD Services</b>	<b>\$ 8,581,362</b>	<b>\$10,772,304</b>	<b>\$14,561,099</b>	<b>3,788,795</b>	
<b>Other Contractual Obligations</b>					
Hospital Rate Adjuster	2,168,850	2,207,816	2,207,816	-	
USE and HICA Tax	10,313,975	2,521,089	1,059,026	(1,462,063)	j
Local Match	1,577,780	1,577,780	1,577,780	-	
10% Health Home Match Washtenaw	71,558			-	
<b>Total Other Costs</b>	<b>\$14,132,163</b>	<b>\$6,306,685</b>	<b>\$4,844,622</b>	<b>(1,462,063)</b>	
<b>CMHPSM Administrative Costs</b>					
Salary & Fringe	1,632,294	1,802,998	2,137,588	334,590	k
Administrative Contracts	913,451	1,398,669	1,398,669	-	
Board Expense	1,985	4,400	4,400	-	
All Other Costs	194,283	211,890	211,890	-	
<b>Total Administrative Expense</b>	<b>\$2,742,013</b>	<b>\$3,417,957</b>	<b>\$3,752,547</b>	<b>334,590</b>	
<b>Risk Reserve Provision</b>	<b>\$2,581,623</b>				
<b>Total Expense</b>	<b>\$160,665,966</b>	<b>\$164,841,861</b>	<b>\$163,852,762</b>	<b>(989,099)</b>	
<b>Revenues over (under) Expenditures</b>	<b>\$8,323</b>	<b>\$(0)</b>	<b>\$(0)</b>	<b>(0)</b>	

## **Community Mental Health Partnership of Southeast Michigan FY18 Preliminary Budget Amend**

a - Changes based on actuary projections from MDHHS. Specialty Services Program decrease of 1.2%, Specialty Services Program SUD increase of 54.7%, HMP decrease of 6.9%, HMP SUD increase of 32.3%, Autism capitation rates are new in FY18.

b - based on preliminary FSR submissions there will be no carryforward from FY17 to FY18.

c - Increase based on preliminary approved other grants.

d - Increase based on State of Michigan treasury PA2 projections.

e - Increase based on spending plan of PA2 Reserves. Expenditures correspond with revenues.

f - Increase based on new contract with MACMHB for the veteran navigator grant. Expenditures correspond with revenues.

g - Increase based on projected use of fund balance to stabilize services across the region.

h - Changes to partners budgets were based on Risk-Based Funding Model and applied to the FY18 projected funding for mental health using an actuarially sound model using the risk weights to establish the allocation proposed.

i - Increase to expenditures corresponds with increase to the SUD Block Grant funding and the planned use of PA2 reserves.

j - Decrease due to USE tax conclusion in FY17.

k - Increase brings budget back to original budget assuming all positions are filled and new veteran navigator position covered with new other revenue.