



**COMMUNITY MENTAL
HEALTH PARTNERSHIP**

of Southeast Michigan

**FISCAL YEAR 2017
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 FY2017

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 2017 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 FY17 budget. Budget amendments will be presented throughout the year, on a quarterly basis, to recognize any changes in assumptions or contractual obligations.

CMHPSM FY17 Budget Objectives:

1. Fiscal Year 2017 budget is being presented at the September 2016 Board of Directors meeting.
2. The proposed budget upholds the mission and vision of CMHPSM.
3. The fiscal year 2017 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 FY17 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. Community Living Support approved rate increases were applied to the CMHSP's budgets.
4. Administrative expenditures include a tiered salary step model based on the existing Board approved salary ranges.
5. The State of Michigan use tax will conclude in December of 2016.
6. 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 2017 budget to be presented to the board for approval.

Fiscal Year 2017 Budget Overview

Total Revenues Projected for FY2016 for all fund sources:

\$160,983,770

Partnership Capitated Allocations for Medicaid and HMP:

Lenawee CMHA	\$17,753,000
CMH Services of Livingston County	\$24,347,500
Monroe CMHA	\$26,662,600
Washtenaw County CMH	\$67,450,000

Substance Use Disorder Prevention and Treatment (by County):

Lenawee	\$1,278,823
Livingston	\$1,614,420
Monroe (managed by CMHPSM)	\$1,506,177
Washtenaw (managed by CMHPSM)	\$4,026,893

Other Contractual Costs \$9,840,886

Hospital Rate Adjuster
Use Tax and HICA
Local Match
Autism fee for service

Administrative Costs \$ 3,363,745

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

Fiscal Year 2017 Budget Notes

Revenues

- 1) Medicaid Capitation - decrease in revenues due to the decrease in capitated rates, decrease in the geographical factor for the region. Eligibles were maintained at a level rate based on a nine month trending.
- 2) Medicaid Carryforward – based on FY 2016 projections submitted to Michigan Department of Health and Human Services (MDHHS) in August 2016.
- 3) Healthy Michigan Plan – Increase due to increase in eligibles compared to FY 2016.
- 4) Healthy Michigan Carryforward – based on FY 2016 projections submitted to MDHHS in August 2016.
- 5) Medicaid Health Home – decrease due to the discontinuing participation of Washtenaw County.
- 6) 10% Health Home Match - decrease due to the discontinuing participation of Washtenaw county
- 7) SUD PA2 - decrease based on the State of Michigan’s FY2017 projected distributions of these funds.
- 8) Other Revenue – increase due to the increase of projected revenue from partners for centralized SIS assessments.

Expenditures

- 1) Funding for CMHSP Partners – increases for all partners based on prior approved rate increases for community living supports, wage/step increases, and contractual obligations.
- 2) Hospital Rate Adjuster – projected historical increase, budget to be amended as realized.
- 3) 10% Health Home Match - decrease due to the discontinuing participation of Washtenaw County.
- 4) Administrative Costs –
 - Salary & Fringes – increase due to creation of two positions, tiered step increases, and projected health care cost increases.
 - Administrative contracts – increase due to contractual obligations.
 - Board Expense – increase due to projected costs based on prior year utilization.
 - All Other Costs – increase due to staff required trainings and miscellaneous expenditures.

**Community Mental Health Partnership of Southeast Michigan
Fiscal Year 2017 Budget**

	FY16 2nd Amend Budget	FY17 Budget	FY 17 O/(U) FY 2016
Operating Revenue			
Medicaid Capitation	\$137,613,945	\$129,070,670	(\$8,543,275)
Medicaid Carryforward	1,473,549	7,763,318	6,289,769
Healthy Michigan Plan	12,188,927	12,668,071	479,144
Healthy Michigan Carryforward	5,224,847	2,414,927	(2,809,920)
Autism	1,661,715	1,661,715	-
Medicaid Health Home-Washtenaw Only	419,801	-	(419,801)
10% Health Home Match Washtenaw	41,980	-	(41,980)
SUD Community Grant	3,767,460	3,767,460	-
SUD PA2 - Cobo Tax Revenue	2,105,798	1,806,604	(299,194)
Local Match	1,577,780	1,577,780	-
Other Revenue	217,567	253,225	35,658
Total Revenue	\$166,293,369	\$160,983,770	\$(5,309,599)
Funding For CMHSP Partners			
Lenawee CMHSP	17,137,987	17,898,153	760,166
Livingston CMHSP	23,871,599	24,926,088	1,054,489
Monroe CMHSP	25,931,719	26,589,319	657,600
Washtenaw CMHSP	65,954,549	67,904,980	1,950,431
Total Funding For CMHSP Partners	\$ 132,895,854	\$ 137,318,540	\$ 4,422,686
Funding For SUD Services			
Lenawee County	1,278,823	1,278,823	-
Livingston County	1,614,420	1,614,420	-
Monroe County	1,506,177	1,506,177	-
Washtenaw County	4,026,893	4,026,893	-
Total Funding For SUD Services	\$ 8,426,313	\$ 8,426,313	
Other Contractual Obligations			
Hospital Rate Adjuster	2,122,900	2,207,816	84,916
USE and HICA Tax	10,492,516	4,949,850	(5,542,666)
Local Match	1,577,780	1,577,780	-
10% Health Home Match Washtenaw	41,980	-	(41,980)
Total Other Costs	\$14,235,176	\$8,735,446	\$(5,499,730)
CMHPSM Administrative Costs			
Salary & Fringe	1,768,037	2,002,998	234,961
Administrative Contracts	1,031,952	1,143,352	111,400
Board Expense	12,980	14,260	1,280
All Other Costs	168,136	203,135	34,999
Total Administrative Expense	\$2,981,105	\$3,363,745	\$382,640
Risk Reserve Provision	\$2,581,623	\$0	2,581,623
Savings/Carry Forward	\$5,173,298	\$3,139,726	2,033,572
Total Expense	\$166,293,369	\$160,983,770	