Report on Compliance

Community Mental Health Partnership of Southeast Michigan

September 30, 2018

RPC
Roslund Prestage & Company
CERTIFIED PUBLIC ACCOUNTANTS

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Community Mental Health Partnership of Southeast Michigan
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September 30, 2018

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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE

To the Members of the Board
Community Mental Health Partnership of Southeast Michigan
Ann Arbor, Michigan

Report On Compliance
We have examined Community Mental Health Partnership of Southeast Michigan's (the PIHP) compliance with the requirements described in the *Compliance Examination Guidelines* issued by Michigan Department of Health and Human Services that could have a direct and material effect on its Medicaid Contract, General Fund Contract, and Community Mental Health Services Block Grants (including various programs included therein) for the year ended September 30, 2018.

Management's Responsibility
Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its Medicaid Contract, General Fund Contract, and Community Mental Health Services Block Grants (including various programs included therein).

Independent Accountants' Responsibility
Our responsibility is to express an opinion on the PIHP's compliance with the Medicaid Contract, General Fund Contract, and Community Mental Health Services Block Grants (including various programs included therein), based on our examination of the compliance requirements referred to above.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the PIHP complied, in all material respects, with the compliance requirements referred to above.

An examination involves performing procedures to obtain evidence about the PIHP's compliance with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Basis for Qualified Opinion
As discussed in the Schedule of Findings as item 2018-01, our examination disclosed material noncompliance related to the Medicaid Contract during the year ended September 30, 2018.

Opinion on Each Program
In our opinion, except for the material noncompliance noted above, the PIHP complied, in all material respects, with the specified requirements referred to above that could have a direct and material effect on its Medicaid Contract, General Fund Contract, and Community Mental Health Services Block Grants (including various programs included therein) for the year ended September 30, 2018.

Other Matters
The results of our examination procedures disclosed instances of noncompliance, which are required to be reported in accordance with Compliance Examination Guidelines, and which are described in the accompanying Comments and Recommendations as 2018-02. Our opinion is not modified with respect to 2018-02.

The PIHP's responses to the noncompliance findings identified in our examination are described in the accompanying Schedule of Findings and Comments and Recommendations. The PIHP's responses were not subjected to the examination procedures applied in the examination of compliance and, accordingly, we express no opinion on the responses.

Purpose of this Report
This report is intended solely for the information and use of the board and management of the PIHP and the Michigan Department of Health and Human Services, and is not intended to be, and should not be, used by anyone other than these specified parties.

Roslund, Prestage & Company, P.C.

Roslund, Prestage & Company, P.C.
Certified Public Accountants

June 19, 2019

Control deficiencies that are individually or cumulatively material weaknesses in internal control over the Medicaid Contract, General Fund Contract, and/or Community Mental Health Services Block Grant Program(s):

None

Material noncompliance with the provisions of laws, regulations, or contracts related to the Medicaid Contract, General Fund Contract, and/or Community Mental Health Services Block Grant Program(s):

2018-01 Fiscal Soundness of The Risk-Based PIHP

Criteria or specific requirements:

Provision *32.0 Fiscal Soundness of The Risk-Based PIHP* states "Federal regulations require that the risk-based PIHPs maintain a fiscally solvent operation and MDHHS has the right to evaluate the ability of the PIHP to bear the risk of potential financial losses, or to perform services based on determinations of payable amounts under the contract." (*Medicaid Contract General Provision 32.0*)

Condition:

Row N400 Balance Risk Corridor (Examined Total) is $4,286,744 which represents the PIHP's portion of the shared risk that is unfunded. The PIHP does not have sufficient resources to manage the local portion of the shared risk and is not fiscally solvent. As a result of this insolvency, the PIHP is not in compliance with General Provision 32.0 of the Medicaid Contract.

Examination adjustments:

None

Context and perspective:

The PIHP has incurred substantial annual deficits in the last two fiscal years. The deficit for FY18 was $18,869,823 of which $11,352,411 was the local portion of shared risk and $7,517,412 was the State portion of risk. The PIHP liquidated its remaining investments in the ISF and was able to cover $7,065,667 of its $11,352,411 in local risk. $4,286,744 in local risk remains unfunded as of year end.

Effect:

Unable to determine

Recommendations:

The PIHP should work with stakeholders on how to address its annual deficits and the remaining unfunded risk at year end.

Views of responsible officials:

Management is in agreement with this recommendation.

Planned corrective action:

The CMHPSM and its partner CMHSPs have filed an administrative appeal to MDHHS related to FY17 and FY18 deficits as well as the projected FY19 deficit. The administrative appeal provides details supporting the region not being provided with the revenue necessary to deliver the medically necessary services that individuals are entitled to as eligible Medicaid enrollees. Resolution of the administrative appeal, subsequent planned legal actions and/or a renegotiation of revenue capitation rates will correct the financial status of the CMHPSM.

Responsible party:

MDHHS, CMHPSM and CMHPSM stakeholders

Anticipated completion date:

As soon as possible

Known fraud affecting the Medicaid Contract, General Fund Contract, and/or Community Mental Health Services Block Grant Program(s):

None

MDHHS/PIHP MEDICAID MANAGED SPECIALTY SUPPORTS AND SERVICES
CONCURRENT WAIVER PROGRAMS
EXAMINED MEDICAID CONTRACT SETTLEMENT WORKSHEET
FOR THE YEAR ENDED SEPTEMBER 30, 2018

PIHP: CMHPSM (Region 6)

FISCAL YEAR: FY 17 / 18

1. Specialty Managed Care - Medicaid		Medicaid (Incl Autism)	HSW	HMP (Incl Autism)	DHIP	Total	FY Indicator
a.	Current Fiscal Year - Medicaid Revenue rec'd thru 9/30	95,359,058	39,522,848	13,781,144	107,486	$ 148,770,536	FY 18
b.	Current Fiscal Year - Medicaid Revenue Accruals		1,372,568		114,370	$ 1,486,938	FY 18
c.	Sub-Total Current Fiscal Year Medicaid Revenue:	$ 95,359,058	$ 40,895,416	$ 13,781,144	$ 221,856	$ 150,257,474	FY 18
d.	Prior Fiscal Year 1 - Accrual Adjustment - Net					$ -	FY 17
e.	Prior Fiscal Year 2 - Accrual Adjustment - Net					$ -	FY 16
f.	Other Adjustments (DHHS Approval Required)					$ -	Describe Below
g.	Sub-Total - Prior Year Accrual Adjustments:	$ -	$ -	$ -	$ -	$ -	
h.	Total Medicaid Revenue - Current Year Settlement:	$ 95,359,058	$ 40,895,416	$ 13,781,144	$ 221,856	$ 150,257,474	
i.	Total Current Fiscal Year Performance Bonus Incentive Pool (PBIP) Withheld (enter as a positive amount)	706,623	297,549	103,838		$ 1,108,010	
j.	Explanation of Accrual Adjustments						

2. Forced Lapse to MDHHS		Amount	Examination Adjustments	Examined Totals
a.	Medicaid Specialty Managed Care Forced Lapse (enter as negative)			$ -
1.	Explanation of Forced Lapse and Explanation of Examination Adjustments:			

3. Medicaid Savings / Medicaid Lapse Calculation			Amount	
a.	Specialty Managed Care - Medicaid Capitation (incl Autism)		151,365,484	
1.	Band # 1 (95 - 100%)	5%	7,568,274	PIHP retains
2.	Band # 2 (90 - 95%)	5%	7,568,274	Shared PIHP / MDHHS
b.	Balance Available for Savings (from Medicaid FSR)		-	
b1.	Balance Available for Savings (from Healthy Michigan FSR)		-	
b2.	Total Available for Savings		-	

			Total Lapse	Total Earned Savings	Total Savings Corridor
c. 1.	Band # 1	-		-	-
2.	Sub-Total - Band # 1	-			
3.	Band # 2	-	-	-	-
4.	Sub-Total - Band # 2	-			
5.	Band # 3	-	-		-
6.	Totals		$ -	$ -	$ -

4. Summary of Total Savings / Lapse		Total Lapse	Total Earned Savings	Total Savings Corridor	% of Savings by Funding
1.	Total Disposition of Medicaid Savings / Lapse			-	#DIV/0!
2.	Total Disposition of Healthy Michigan Savings / Lapse			-	#DIV/0!
3.	Total Savings / Lapse	$ -	$ -	$ -	#DIV/0!

5. Medicaid Savings - Prior Year Earnings to Expend		FY	FY	FY	FY	Total
a.	Prior Year Medicaid Savings Earned - Medicaid					-
b.	Current Year Expenditures - Medicaid					-
c.	Prior Year Medicaid Savings Earned - HMP					-
d.	Current Year Expenditures - HMP					-
e.	Balance of Medicaid Savings:	$ -	$ -	$ -	$ -	$ -

6. Narrative: Both CRCS and Contract Settlement Worksheet

Preparer's note: The amounts shown as submitted amounts throughout this examined FSR are based on the FSR that was submitted by CMHPSM to MDHHS on 04-08-19. The 04-08-19 resubmission of the FSR included changes requested by MDHHS to the 02-28-19 FSR for SUD Supplemental. The changes between the 02-28-19 FSR and the 04-08-19 FSR are not shown as examination adjustments in this report as the 04-08-19 FSR was accepted as the final FSR by MDHHS.

MDHHS/PIHP MEDICAID MANAGED SPECIALTY SUPPORTS AND SERVICES
CONCURRENT WAIVER PROGRAMS
EXAMINED MEDICAID/HMP CONTRACT RECONCILIATION AND CASH SETTLEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2018

PIHP: CMHPSM (Region 6)

1. Medicaid Services - Available Resources		PIHP Contract Cost Settled
a.	Total Managed Care Capitation (Medicaid & Healthy Michigan Plan)	$ 150,257,474
b.	1st & 3rd Party Collections - Medicaid (FSR A 121)	-
c.	1st & 3rd Party Collections - HMP (FSR AI 121)	-
d.	Prior Year Medicaid Savings (FSR A 123 + FSR AI 123)	-
e.	ISF Abatement - Medicaid / HMP(FSR A 124 + FSR AI 124)	-
f.	Redirected CMHSP to CMHSP Contracts (FSR A 302 + FSR AI 302)	-
g.	Redirected Non-MDHHS Earned Contracts (FSR A 303 + FSR AI 303)	-
h.	Intentionally left blank	
i.	Sub-Total Other Medicaid Services - Resources	$ -
j.	Total Medicaid Services - Available Resources	$ 150,257,474

2. Medicaid Services - Expenditures		
a.	PIHP HICA/USE Tax (FSR A 201)	1,069,906
a.1	PIHP HICA/USE Tax Healthy Michigan Plan (FSR AI 201)	109,349
b.	Medicaid Services (FSR A 202 - A 122 - A 325)	146,688,575
b.1	Healthy Michigan Plan Services (FSR AI 202 - AI 122 - AI 325)	19,104,558
b.2	MI Health Link Medicaid Services (FSR A 205)	-
c.	Deposits - ISF Medicaid / HMP (FSR A 203 + FSR AI 203)	-
d.	Psych Hospital HRA (FSR A 204)	2,154,909
e.	Sub-Total Medicaid Services - Expenditures	$ 169,127,297
f.	Redirected CMHSP to CMHSP Contracts (FSR A 301 + FSR AI 301)	-
g.	Intentionally left blank	-
h.	Redirected to MI Health Link (FSR A 301c)	-
i.	Sub-Total Medicaid Services - Redirected Expenditures	$ -
j.	Total Medicaid Services - Expenditures	$ 169,127,297

3. Net Medicaid Services Surplus / (Deficit)		
a.	Medicaid Funding Surplus / (Deficit)	(18,869,823)
b.	Less: Forced Lapse to MDHHS (Medicaid worksheet 2.a)	-
c.	Net Medicaid Services Surplus / (Deficit)	$ (18,869,823)

4. Disposition			Amount
a.	Surplus		
	1.	Transfer to Fund Balance - Medicaid Savings Earned	-
	2.	Lapse to MDHHS - Contract Settlement	-
	3.	Total Disposition - Surplus	$ -
b.	Deficit		
	1.	Redirected from General Fund (FSR A 331 + AI 331 + AK 331)	-
	2.	Redirected from Local (FSR A 332 + AI 332 + AK 332)	-
	3.	Redirected Risk Corridor - PIHP Share (FSR A 333 + AI 333)	11,352,411
	4.	Redirected Risk Corridor - MDHHS Share (FSR A 334 + AI 334)	7,517,412
	5.	Redirected from Restricted Fund Balance (FSR A 335 + AI 335 + AK 335)	-
	6.	Total Disposition - Deficit	$ 18,869,823

4.1 Medicaid Savings Transferred To/From		Amount
	PIHP receiving transferred Medicaid savings	**Total Transferred**
a.		
b.		
c.		
d.		
e.		
f.	Total	$ -

5. Cash Settlement: (Due MDHHS) / Due PIHP		Amount
a.	Forced Lapse to MDHHS	-
b.	Lapse to MDHHS - Contract Settlement	-
c.	Risk Corridor - MDHHS Share	7,517,412
d.	Return of Prior Year Medicaid Savings	
e.	Misc (please explain)	
f.	Misc (please explain)	
g.	Total Cash Settlement: (Due MDHHS) / Due PIHP	$ 7,517,412

6. Medicaid MDHHS Commitment		Amount
a.	MDHHS / PIHP Medicaid Funded Expenditures	150,257,474
b.	Earned Medicaid Savings	-
c.	Sub-Total MDHHS Commitment	$ 150,257,474
d.	Risk Corridor - MDHHS Share	7,517,412
e.	Total MDHHS Medicaid Commitment	$ 157,774,886
f.	General Fund Supplement for Unfunded Medicaid	-

7. Report Certification

	Cash Settlement	Savings
Examined	$ 7,517,412	-
Original Settlement	0	0
Increase (Decrease)	7,517,412.00	-

Comments:

MDHHS/PIHP MEDICAID MANAGED SPECIALTY SUPPORTS AND SERVICES CONCURRENT WAIVER PROGRAMS CONTRACT
EXAMINED FINANCIAL STATUS REPORT - MEDICAID page 1
FOR THE YEAR ENDED SEPTEMBER 30, 2018

PIHP:		CMHPSM (Region 6)	YEAR TO DATE REPORTING										
			A	B	C	D	E	F	G	H	I		
			Regional Authority / Reporting Board	CMHSP							PIHP Grand Total page 1 & 2	Examination Adjustments	Examined Totals
				# 1	# 2	# 3	# 4	# 5	# 6	# 7			
1		PIHP or CMHSP	CMHPSM	Lenawee	Livingston	Monroe	Washtenaw						
A		**MEDICAID SERVICES - PIHP USE ONLY**											
A	100	**REVENUE**											
A	101	Specialty Managed Care Medicaid Revenue	136,476,330								136,476,330		136,476,330
A	115	Medicaid Managed Care - Affiliate Contracts	(143,360,706)	16,460,480	26,187,248	29,935,600	70,777,378				-	-	-
A	120	**Subtotal - Current Period Medicaid Services Revenue**	(6,884,376)	16,460,480	26,187,248	29,935,600	70,777,378	-	-	-	136,476,330		136,476,330
A	121	1st & 3rd Party Collections - Medicare/Medicaid Consumers - Rpting Bd									-		-
A	122	1st & 3rd Party Collections - Medicare/Medicaid Consumers - Affiliate		73,366		17,723	292,943				384,032		384,032
A	123	Prior Year Medicaid Savings (Funding Current Year Expenses)	-								-		-
A	124	ISF Abatement									-		-
A	140	**Subtotal - Other Medicaid Revenue**	-	73,366	-	17,723	292,943	-	-	-	384,032	-	384,032
A	190	**TOTAL REVENUE**	(6,884,376)	16,533,846	26,187,248	29,953,323	71,070,321	-	-	-	136,860,362	-	136,860,362
A	200	**EXPENDITURE**											
A	201	PIHP HICA/USE Tax	1,069,906								1,069,906		1,069,906
A	202	Medicaid Services (incl Autism)	3,327,869	16,533,846	26,187,248	29,953,323	71,070,321				147,072,607		147,072,607
A	203	Payment into Medicaid ISF									-		-
A	204	Psych Hospital Rate Adjuster (HRA)	2,154,909								2,154,909		2,154,909
A	205	MI Health Link - Medicaid Services									-		-
A	290	**TOTAL EXPENDITURE**	6,552,684	16,533,846	26,187,248	29,953,323	71,070,321	-	-	-	150,297,422	-	150,297,422
A	295	**SUBTOTAL NET MEDICAID SERVICES SURPLUS (DEFICIT)**	(13,437,060)	-	-	-	-	-	-	-	(13,437,060)	-	(13,437,060)
A	300	**Redirected Funds (To) From**											
A	301	(TO) CMHSP to CMHSP Earned Contracts - **J304**	-								-		-
A	301a	Intentionally left blank									-		-
A	301b	(TO) Healthy MI Plan - **AI310**	-								-		-
A	301c	(TO) MI Health Link Services (Medicare) - **AK310**	-								-		-
A	302	FROM CMHSP to CMHSP Earned Contracts - **J301** (explain - section AB)									-		-
A	303	FROM Non-MDHHS Earned Contracts - **K301** (explain - section AB)									-		-
A	310	Intentionally left blank									-		-
A	310a	FROM Healthy MI Plan - **AI301a**									-		-
A	325	Info only - Affiliate Total Redirected Funds - **I390**									-		-
A	330	**Subtotal Redirected Funds rows 301 - 325**	-	-	-	-	-	-	-	-	-	-	-
A	331	FROM General Fund - Redirected to Unfunded Medicaid Costs - **B301**									-		-
A	332	FROM Local Funds - **M301**									-		-
A	333	FROM Risk Corridor - PIHP Share - **N301**	7,065,667								7,065,667		7,065,667
A	334	FROM Risk Corridor - MDHHS Share - **N302**									-	6,371,393	6,371,393
A	335	FROM Restricted Fund Balance - **RES 1.c**	-								-		-
A	390	**Total Redirected Funds**	7,065,667	-	-	-	-	-	-	-	7,065,667	6,371,393	13,437,060
A	400	**BALANCE MEDICAID SERVICES**	(6,371,393)	-	-	-	-	-	-	-	(6,371,393)	6,371,393	-

AB		**REMARKS**
AB		Remarks may be added about any entry or activity on the report for which additional information may be useful.
AB		An examination adjustment was made to increase A334 From Risk Corridor - MDHHS Share as this row was left blank on the FSR that was submitted.
AB		Row A334 From Risk Corridor - MDHHS Share was increased from $0 to $6,371,393; a change of $6,371,393

MDHHS/PIHP MEDICAID MANAGED SPECIALTY SUPPORTS AND SERVICES CONCURRENT WAIVER PROGRAMS CONTRACT
EXAMINED FINANCIAL STATUS REPORT - Healthy Michigan page 1
FOR THE YEAR ENDED SEPTEMBER 30, 2018

PIHP:		CMHPSM (Region 6)	YEAR TO DATE REPORTING										
			A	B	C	D	E	F	G	H	I		
			Regional Authority / Reporting Board	CMHSP							PIHP Grand Total page 1 & 2	Examination Adjustments	Examined Totals
				# 1	# 2	# 3	# 4	# 5	# 6	# 7			
1		PIHP or CMHSP	CMHPSM	Lenawee	Livingston	Monroe	Washtenaw	-	-	-			
AI		**HEALTHY MICHIGAN SERVICES - PIHP USE ONLY**											
AI	100	**REVENUE**											
AI	101	Healthy Michigan Plan	13,781,144								13,781,144		13,781,144
AI	115	Healthy Michigan Managed Care - Affiliate Contracts	(15,797,591)	2,399,100	3,531,969	2,354,813	7,511,709				-	-	-
AI	120	**Subtotal - Current Period Healthy Michigan Services Revenue**	(2,016,447)	2,399,100	3,531,969	2,354,813	7,511,709	-	-	-	13,781,144	-	13,781,144
AI	121	1st & 3rd Party Collections -HMP Consumers - Rpting Bd									-		-
AI	122	1st & 3rd Party Collections - HMP Consumers - Affiliate									-		-
AI	123	Prior Year Healthy MI Plan Savings (Funding Current Year Expenses)	-								-		-
AI	124	ISF Abatement HMP									-		-
AI	140	**Subtotal - Other Healthy Michigan Revenue**	-	-	-	-	-	-	-	-	-	-	-
AI	190	**TOTAL REVENUE**	(2,016,447)	2,399,100	3,531,969	2,354,813	7,511,709	-	-	-	13,781,144	-	13,781,144
AI	200	**EXPENDITURE**											
AI	201	PIHP HICA/USE Tax Healthy Michigan Plan	109,349								109,349		109,349
AI	202	Healthy Michigan Plan Services (incl Autism)	3,306,967	2,399,100	3,531,969	2,354,813	7,511,709				19,104,558		19,104,558
AI	203	Payment into Healthy Michigan Plan ISF									-		-
AI	290	**TOTAL EXPENDITURE**	3,416,316	2,399,100	3,531,969	2,354,813	7,511,709	-	-	-	19,213,907	-	19,213,907
AI	295	**SUBTOTAL NET HEALTHY MICHIGAN SERVICES SURPLUS (DEFICIT)**	(5,432,763)	-	-	-	-	-	-	-	(5,432,763)	-	(5,432,763)
AI	300	**Redirected Funds (To) From**											
AI	301	(TO) CMHSP to CMHSP Earned Contracts - **J304.1**	-								-		-
AI	301a	(TO) Medicaid - **A310a**	-								-		-
AI	302	FROM CMHSP to CMHSP Earned Contracts - **J301.1** (explain - section AJ)									-		-
AI	303	FROM Non-MDHHS Earned Contracts - **K301.1** (explain - section AJ)									-		-
AI	310	FROM Medicaid - **A301b**									-		-
AI	325	Info only - Affiliate Total Redirected Funds - **I390**									-		-
AI	330	**Subtotal Redirected Funds rows 301 - 325**	-	-	-	-	-	-	-	-	-	-	-
AI	331	FROM General Fund - Redirected to Unfunded Healthy Michigan Costs - **B301.1**									-		-
AI	332	FROM Local Funds - **M301.1**									-		-
AI	333	FROM Risk Corridor - PIHP Share - **N301.1**	-								-	4,286,744	4,286,744
AI	334	FROM Risk Corridor - MDHHS Share - **N302.1**									-	1,146,019	1,146,019
AI	335	FROM Restricted Fund Balance - **RES 1.f**	-								-		-
AI	390	**Total Redirected Funds**	-	-	-	-	-	-	-	-	-	5,432,763	5,432,763
AI	400	**BALANCE HEALTHY MICHIGAN PLAN SERVICES**	(5,432,763)	-	-	-	-	-	-	-	(5,432,763)	5,432,763	-

AB		**REMARKS**
AB		Remarks may be added about any entry or activity on the report for which additional information may be useful.
AB		An examination adjustment was made to increase From Risk Corridor as these rows were left blank on the FSR that was submitted.
AB		Row AI333 From Risk Corridor - PIHP Share was increased from $0 to $4,286,744; a change of $4,286,744
AB		Row AI334 From Risk Corridor - MDHHS Share was increased from $0 to $1,146,019; a change of $1,146,019
AB		
AB		
AB		
AB		
AB		
AB		

MDHHS/PIHP MEDICAID MANAGED SPECIALTY SUPPORTS AND SERVICES CONCURRENT WAIVER PROGRAMS CONTRACT
EXAMINED FINANCIAL STATUS REPORT - MI Health Link page 1
FOR THE YEAR ENDED SEPTEMBER 30, 2018

PIHP:		CMHPSM (Region 6)	YEAR TO DATE REPORTING										
			A	B	C	D	E	F	G	H	I		
			Regional Authority / Reporting Board	CMHSP							PIHP Grand Total page 1 & 2	Examination Adjustments	Examined Totals
				# 1	# 2	# 3	# 4	# 5	# 6	# 7			
1		PIHP or CMHSP	CMHPSM	Lenawee	Livingston	Monroe	Washtenaw	-	-	-			
AK		MI HEALTH LINK SERVICES - PIHP USE ONLY											
AK	100	REVENUE											
AK	101	MI Health Link									-		-
AK	102	ICO - Risk Financing / (ICO - Shared Savings)									-		-
AK	115	MI Health Link - Affiliate Contracts	-								-	-	-
AK	120	**Subtotal - Current Period MI Health Link Services Revenue**	-	-	-	-	-	-	-	-	-	-	-
AK	121	1st & 3rd Party Collections - MI Health Link Consumers - Rpting Bd									-		-
AK	122	1st & 3rd Party Collections - MI Health Link Consumers - Affiliate									-		-
AK	140	**Subtotal - Other MI Health Link Revenue**	-	-	-	-	-	-	-	-	-	-	-
AK	190	**TOTAL REVENUE**	-	-	-	-	-	-	-	-	-	-	-
AK	200	**EXPENDITURE**											
AK	202	MI Health Link Services									-		-
AK	290	**TOTAL EXPENDITURE**	-	-	-	-	-	-	-	-	-	-	-
AK	295	**SUBTOTAL NET MI HEALTH LINK SERVICES SURPLUS (DEFICIT)**	-	-	-	-	-	-	-	-	-	-	-
AK	300	**Redirected Funds (To) From**											
AK	301	(TO) CMHSP to CMHSP Earned Contracts - **J304.3**	-								-		-
AK	302	FROM CMHSP to CMHSP Earned Contracts - **J301.3** (explain - section AL)									-		-
AK	303	FROM Non-MDHHS Earned Contracts - K301.3 (explain - section AL)									-		-
AK	310	FROM Medicaid - **A301c**									-		-
AK	325	Info only - Affiliate Total Redirected Funds - **ID390**									-		-
AK	330	**Subtotal Redirected Funds rows 301 - 325**	-	-	-	-	-	-	-	-	-	-	-
AK	331	FROM General Fund - Redirected to Unfunded MI Health Link Costs - **B301.3**									-		-
AK	332	FROM Local Funds - **M301.3**									-		-
AK	333	Intentionally left blank											
AK	334	Intentionally left blank											
AK	335	FROM Restricted Fund Balance - **RES 1.g**	-								-		-
AK	336	(TO) Local funds - **M313.3**	-								-		-
AK	390	**Total Redirected Funds**	-	-	-	-	-	-	-	-	-	-	-
AK	400	**BALANCE MI HEALTH LINK SERVICES (must = 0)**	-	-	-	-	-	-	-	-	-	-	-

AL		**REMARKS**
AL		Remarks may be added about any entry or activity on the report for which additional information may be useful.
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MDHHS/PIHP MEDICAID MANAGED SPECIALTY SUPPORTS AND SERVICES CONCURRENT WAIVER PROGRAMS CONTRACT
EXAMINED FINANCIAL STATUS REPORT - Health Home Services
FOR THE YEAR ENDED SEPTEMBER 30, 2018

PIHP:		CMHPSM (Region 6)	YEAR TO DATE REPORTING										
			A	B	C	D	E	F	G	H	I		
			Regional Authority / Reporting Board	CMHSP							PIHP Grand Total page 1 & 2	Examination Adjustments	Examined Totals
				# 1	# 2	# 3	# 4	# 5	# 6	# 7			
1		PIHP or CMHSP	CMHPSM	Lenawee	Livingston	Monroe	Washtenaw	-	-	-			
AG		**Health Home Program - PIHP USE ONLY**											
AG	100	**REVENUE**											
AG	101	Revenue - Health Home Services									-		-
AG	115	Affiliate Contracts	-								-		-
AG	190	**TOTAL REVENUE**	-	-	-	-	-	-	-	-	-	-	-
AG	200	**EXPENDITURE**											
AG	201	Expenditure - Health Home Services									-		-
AG	202	PIHP HICA/USE Tax									-		-
AG	204	Surplus Funding Retained									-		-
AG	290	**TOTAL EXPENDITURE**	-	-	-	-	-	-	-	-	-	-	-
AG	295	**SUBTOTAL NET HEALTH HOME SERVICES SURPLUS (DEFICIT)**	-	-	-	-	-	-	-	-	-	-	-
AG	300	**Redirected Funds (To) From**											
AG	325	Info only - Affiliate Total Redirected Funds - **IC390**									-		-
AG	331	FROM General Fund - **B301.4**									-		-
AG	332	FROM Local Funds - **M301.4**									-		-
AG	335	FROM Restricted Fund Balance - **RES 1.e**	-								-		-
AG	390	**Total Redirected Funds**	-	-	-	-	-	-	-	-	-	-	-
AG	400	**BALANCE**	-	-	-	-	-	-	-	-	-	-	-

AH		**REMARKS**
AH		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.
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MDHHS/PIHP MEDICAID MANAGED SPECIALTY SUPPORTS AND SERVICES CONCURRENT WAIVER PROGRAMS CONTRACT
EXAMINED FINANCIAL STATUS REPORT - Substance Use Disorder Services - Page 1
FOR THE YEAR ENDED SEPTEMBER 30, 2018

PIHP:		CMHPSM (Region 6)	YEAR TO DATE REPORTING										
			A	B	C	D	E	F	G	H	I		
				CMHSP									
			Regional Authority / Reporting Board	# 1	# 2	# 3	# 4	# 5	# 6	# 7	PIHP Grand Total page 1 & 2	Examination Adjustments	Examined Totals
1		PIHP or CMHSP	CMHPSM	Lenawee	Livingston	Monroe	Washtenaw	-	-	-			
AC		**Substance Use Disorder (SUD) Services - PIHP USE ONLY**											
AC	100	**REVENUE**											
AC	101	Revenue - SUD Agreement	6,709,480								6,709,480		6,709,480
AC	115	Affiliate Contracts	(1,272,961)	557,469	715,492						-	-	-
AC	120	**Subtotal SUD Agreement Revenue**	5,436,519	557,469	715,492	-	-	-	-	-	6,709,480	-	6,709,480
AC	121	Fees & Collections - Rpting Bd									-		-
AC	122	Fees & Collections - Affiliate									-	-	-
AC	140	**Subtotal - Other Revenue**	-	-	-	-	-	-	-	-	-	-	-
AC	190	**TOTAL REVENUE**	5,436,519	557,469	715,492	-	-	-	-	-	6,709,480	-	6,709,480
AC	200	**EXPENDITURE**											
AC	201	Expenditure - SUD Services	5,427,117	557,469	715,492						6,700,078		6,700,078
AC	290	**TOTAL EXPENDITURE**	5,427,117	557,469	715,492	-	-	-	-	-	6,700,078	-	6,700,078
AC	295	**SUBTOTAL NET SUD SERVICES SURPLUS (DEFICIT)**	9,402	-	-	-	-	-	-	-	9,402	-	9,402
AC	300	**Redirected Funds (To) From**											
AC	301	(TO) CMHSP to CMHSP Earned Contracts - **J304.2**	-								-		-
AC	302	FROM CMHSP to CMHSP Earned Contracts - **J301.2** (explain section AD)									-		-
AC	303	FROM Non-MDHHS Earned Contracts - **K301.2** (explain section AD)									-		-
AC	325	Info only - Affiliate Total Redirected Funds - **IA390**									-		-
AC	331	FROM General Funds - Redirected to Unfunded SUD Costs - **B301.2**									-		-
AC	332	FROM Local Funds - **M301.2**									-		-
AC	335	FROM Restricted Fund Balance - **RES 1.d**	1,515,433								1,515,433		1,515,433
AC	390	**Total Redirected Funds**	1,515,433	-	-	-	-	-	-	-	1,515,433	-	1,515,433
AC	400	**BALANCE SUD Services**	1,524,835	-	-	-	-	-	-	-	1,524,835	-	1,524,835

AD		**REMARKS**
AD		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.
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MDHHS/PIHP MEDICAID MANAGED SPECIALTY SUPPORTS AND SERVICES CONCURRENT WAIVER PROGRAMS CONTRACT
EXAMINED SUPPLEMENTAL FINANCIAL STATUS REPORT - SUD SERVICES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

PIHP: CMHPSM (Region 6)

			EXPENDITURES												
	Fund Source	Budgeted Revenue	General Admin	Access Mgt Sys	Treatment	Womens Specialty	Prevention	PFS 2015-2020	State Targeted Response	MIYTIE - I	Other (DHHS Approval Required)	Total	Examination Adjustments	Examined Totals	Balance
A	**State Agreement**	**A.**	**B.**	**C.**	**D.**	**E.**	**F.**	**G.**	**H.**	**I.**	**J.**	**K.**			**L.**
1	Community Grant											-		-	-
1.a	- General Admin	229,008	229,008									229,008		229,008	-
1.b	- Access Management System	65,000		65,000								65,000		65,000	-
1.c	- Treatment	3,316,917			2,857,435							2,857,435		2,857,435	459,482
1.d	- Women's Specialty Services (WSS)	678,495				473,405						473,405		473,405	205,090
1.e	- Other (DHHS Approval required)											-		-	-
1.f	**Subtotal - Community Grant**	4,289,420	229,008	65,000	2,857,435	473,405	-	-	-	-	-	3,624,848	-	3,624,848	664,572
2	Prevention	1,431,371	95,000				1,254,531					1,349,531		1,349,531	81,840
3	State Disability Assistance	18,000			17,955							17,955		17,955	45
4	Partnership For Success (2015-2020)											-		-	-
5	State Targeted Response (Oct-Apr)	45,982							45,982			45,982		45,982	-
6	State Targeted Response (May-Sep)	924,707							146,329			146,329		146,329	778,378
7	MI Youth Treatment Improvement & Enhancement - Implementation (MIYTIE-I)											-		-	-
8	**Subtotal - State Agreement**	6,709,480	324,008	65,000	2,875,390	473,405	1,254,531	-	192,311	-	-	5,184,645	-	5,184,645	1,524,835
B	**Medicaid**														
1	Medicaid	2,386,207	105,400		2,280,807							2,386,207		2,386,207	-
2	Healthy MI Plan	4,268,184	188,528		4,079,656							4,268,184		4,268,184	-
3	Medicaid- Savings / ISF											-		-	-
4	Healthy MI Plan - Savings / ISF											-		-	-
5	**Subtotal - Medicaid**	6,654,391	293,928	-	6,360,463	-	-	-	-	-	-	6,654,391	-	6,654,391	-
C	**MI Health Link (Medicare)**														
1	MI Health Link (Medicare)											-		-	-
2	**Subtotal - Medicare**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D	**Local & Other**														
1	Restricted Fund Balance	1,515,433			1,313,073		202,360					1,515,433		1,515,433	-
2	Fees & Collections											-		-	-
3	Other Contracts & Sources											-		-	-
4	Other Local											-		-	-
5	**Subtotal - Local & Other**	1,515,433	-	-	1,313,073	-	202,360	-	-	-	-	1,515,433	-	1,515,433	-
E	**Grand Total**	14,879,304	617,936	65,000	10,548,926	473,405	1,456,891	-	192,311	-	-	13,354,469	-	13,354,469	1,524,835

F	**Local Match Computation**	Funds Subject to Match										Total Match Funds (Local & Other - D1+D2+D4)		Examined Totals	Match Percentage
		6,700,078	324,008	65,000	4,188,463	473,405	1,456,891	-	192,311		-	1,515,433		1,515,433	22.62%

G	**REMARKS**									
G	Remarks may be added about any entry or activity on the report for which additional information may be useful.									
G		Expenditure Category Detail	Amount	Expenditure Category Detail	Amount		Expenditure Category Detail			Amount
G										
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G		Total	$ -	Total	$ -		Total			$ -

MDHHS/PIHP MEDICAID MANAGED SPECIALTY SUPPORTS AND SERVICES CONCURRENT WAIVER PROGRAMS CONTRACT
EXAMINED RESTRICTED FUND BALANCE ACTIVITY
FOR THE YEAR ENDED SEPTEMBER 30, 2018

PIHP: CMHPSM (Region 6)

1.	Restricted Fund Balance Activity	PA2	Performance Bonus Incentive Pool (PBIP)	Restricted Fund Balances / Current Activity
a.	Restricted Fund Balance @ Beginning of Fiscal Year	$ 6,899,423		$ 6,899,423
b.	Current Period Deposits	$ 1,832,735		$ 1,832,735
c.	Current Period Financing Medicaid (A 335)			$ -
d.	Current Period Financing SUD Non-Medicaid (AC 335)	$ (1,515,433)		$ (1,515,433)
e.	Current Period Financing Health Homes Behavioral Health (AG 335)			$ -
f.	Current Period Financing Healthy MI Plan (AI 335)			$ -
g.	Current Period Financing MI Health Link (AK 335)			$ -
h.	Current Period Financing Behavioral Health System (RES 290)			$ -
i.	Restricted Fund Ending Balance	$ 7,216,725	$ -	$ 7,216,725

Explanation of Examination Adjustments

MDHHS/PIHP MEDICAID MANAGED SPECIALTY SUPPORTS AND SERVICES CONCURRENT WAIVER PROGRAMS CONTRACT
EXAMINED INTERNAL SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

PIHP: CMHPSM (Region 6)

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 Medicaid (Risk)	Current Period ISF Financing HMP (Risk)	ISF Ending Balance
a.	ISF Balances / Current Activity	$ 6,985,702	$ 79,965	$ -	$ -	$ (7,065,667)	$ -	$ -
b.	Specialty Managed Care	$ 6,985,702	$ 79,965	$ -	$ -	$ (7,065,667)		$ -
c.	Healthy Michigan Plan			$ -	$ -			$ -

1.1	PIHP Transferred To/From ISF balances	Total Transferred
a.		
b.		
c.		
d.		
e.		
f.	Total Transferred to/from PIHPs	$ -
g.	Final balance after transfers	$ -
h.	Specialty Managed Care portion of balance	$ -
i.	Healthy Michigan Plan portion of balance	$ -

2. PIHP Maximum Allowable Funding of ISF		Amount
a.	Specialty Managed Care - Medicaid Capitation (FSR Medicaid - A 120 + FSR HMP - AI 120 + Medicaid Worksheet 1.i PBIP Withhold)	$ 151,365,484
b.	% of Current Year Medicaid Capitation	7.5%
c.	Maximum Allowable Funding of Med ISF	$ 11,352,411

3. Disposition of ISF Ending Balance		Amount	Narrative of Resolution if ISF Over Funded
a.	Maximum Allowable Funding of Medicaid ISF	$ 11,352,411	
b.	Medicaid ISF Ending Balance	$ -	
c.	Within Maximum Allowable Limit / (Overfunded)	$ 11,352,411	

Explanation of Examination Adjustments

An examination adjustment was made to agree 1.a ISF Balance @ Beginning of Fiscal Year with the FY18 audited financial statements. A prior period adjustment was included in the FY18 audited financial statements as the FY17 transfer from ISF to Mental Health Fund was understated by $149,507 as a result of an overstatement of the FY17 Autism receivable (in the Mental Health Fund).

1.a ISF Balance @ Beginning of Fiscal Year was decreased from $7,135,209 to $6,985,702; a change of $(149,507)
A corresponding decrease was made to 1.a Current Period ISF Financing Medicaid (Risk) was decreased from $(7,215,174) to $(7,065,667); a change of $149,507

MDHHS/PIHP MEDICAID MANAGED SPECIALTY SUPPORTS AND SERVICES CONCURRENT WAIVER PROGRAM CONTRACT
EXAMINED SHARED RISK CALCULATION & RISK FINANCING
FOR THE YEAR ENDED SEPTEMBER 30, 2018

PIHP: CMHPSM (Region 6)

1. Shared Risk Calculation			Medicaid Amount	HMP Amount	PBIP Amount	Total Amount
a1.	Specialty Managed Care - Medicaid Capitation (FSR Medicaid - A 120 + FSR HMP - AI 120 + Medicaid Worksheet - 1.i PBIP Withhold)		$ 136,476,330	$ 13,781,144	$ 1,108,010	$ 151,365,484
a2.	Band # 1 (100 - 105%)	5%			7,568,274	Full PIHP Responsibility
a3.	Band # 2 (105 - 110%)	5%			7,568,274	Shared State / PIHP Responsibility
b.	Total Risk				18,869,823	

				State Risk	Local Risk	Total Risk Corridor
c1.	Band # 1 Liability			7,568,274		7,568,274	7,568,274
c2.	Sub-Total - Band # 1			11,301,549			
c3.	Band # 2 Liability			7,568,274	3,784,137	3,784,137	7,568,274
c4.	Sub-Total - Band # 2			3,733,275			
c5.	Band # 3 Liability			3,733,275	3,733,275		3,733,275
c6.			Total Risk Responsibility		$ 7,517,412	$ 11,352,411	$ 18,869,823

2. Disposition of Risk		State Risk	Local Risk	Total Risk Corridor
a.	Stop/Loss Insurance (FSR - Non-Medicaid Line N 101)			-
b.	Medicaid / HMP for PIHP Share Risk Corridor (FSR - Non-Medicaid Line N 102)		11,352,411	11,352,411
c.	Local Funds / Local Fund Balance - Medicaid / HMP Services (FSR - Non-Medicaid Line M 301, M 301.1)			-
d.	General Fund Redirect for Unfunded Medicaid / HMP Costs - MDHHS Approved ONLY (FSR - Non-Medicaid Line B 301, B301.1)			-
e.	Due PIHP From MDHHS (FSR - Non-Medicaid Line N 103)	7,517,412		7,517,412
f.	Total Risk Corridor Funding	$ 7,517,412	$ 11,352,411	$ 18,869,823

3. Summary of Total Risk / Funding		State Risk	Local Risk	Total Risk Corridor
a.	Total Risk	7,517,412	11,352,411	18,869,823
b.	Total Disposition of MDHHS / Local Risk - Medicaid	6,371,393	7,065,667	13,437,060
b1.	Total Disposition of MDHHS / Local Risk - Healthy Michigan Plan	1,146,019	4,286,744	5,432,763
c.	Balance of Risk Corridor (Must = $0)	$ -	$ -	$ -

Explanation of Examination Adjustments

An examination adjustment was made to agree Row 2.b Medicaid / HMP for PIHP Share Risk Corridor to Row 1.c6 Total Risk Responsibility (Local Risk). Row 2.b was increased from $7,215,174 to $11,352,411; a change of $4,137,237.

An examination adjustment was made to agree Row 2.e Due PIHP from MDHHS to Row 1.c6 Total Risk Responsibility (State Risk). Row 2.e was decreased from $11,654,649 to $7,517,412; a change of $4,137,237.

An examination adjustment was made to agree Row 3.b Total Disposition of MDHHS / Local Risk - Medicaid (State Risk) to Medicaid FSR Row A334 From Risk Corridor - MDHHS Share. Row 3.b was decreased from $11,654,649 to $6,371,393; a change of $5,283,256.

An examination adjustment was made to agree Row 3.b Total Disposition of MDHHS / Local Risk - Medicaid (Local Risk) to Medicaid FSR Row A333 From Risk Corridor - PIHP Share. Row 3.b was decreased from $7,215,174 to $7,065,667; a change of $149,507.

An examination adjustment was made to agree Row 3.b1 Total Disposition of MDHHS / Local Risk - Healthy Michigan Plan (State Risk) to Healthy Michigan FSR Row AI334 From Risk Corridor - MDHHS Share. Row 3.b1 was increased from $0 to $1,146,019; a change of $1,146,019.

An examination adjustment was made to agree Row 3.b1 Total Disposition of MDHHS / Local Risk - Healthy Michigan Plan (Local Risk) to Healthy Michigan FSR Row AI333 From Risk Corridor - PIHP Share. Row 3.b1 was increased from $0 to $4,286,744; a change of $4,286,744.

MDHHS/CMHSP MANAGED MENTAL HEALTH SUPPORTS AND SERVICES CONTRACT (GF)
EXAMINED FINANCIAL STATUS REPORT - ALL NON MEDICAID
FOR THE YEAR ENDED SEPTEMBER 30, 2018

CMHSP: CMHPSM (Region 6)

			REPORTED	EXAMINATION ADJUSTMENTS	EXAMINED TOTALS
A		**MEDICAID SERVICES - Summary From FSR - Medicaid**			
A	190	**TOTAL REVENUE**	136,476,330	-	136,476,330
A	290	**TOTAL EXPENDITURE**	149,913,390	-	149,913,390
A	295	**NET MEDICAID SERVICES SURPLUS (DEFICIT)**	(13,437,060)	-	(13,437,060)
A	390	**Total Redirected Funds**	7,065,667	6,371,393	13,437,060
A	400	**BALANCE MEDICAID SERVICES**	(6,371,393)	6,371,393	-
AC		**SUD NON-MEDICAID SERVICES - Summary From FSR - SUD**			
AC	190	**TOTAL REVENUE**	6,709,480	-	6,709,480
AC	290	**TOTAL EXPENDITURE**	6,700,078	-	6,700,078
AC	295	**NET SUD NON-MEDICAID SERVICES SURPLUS (DEFICIT)**	9,402	-	9,402
AC	390	**Total Redirected Funds**	1,515,433	-	1,515,433
AC	400	**BALANCE SUD NON-MEDICAID SERVICES**	1,524,835	-	1,524,835
AE		**INTENTIONALLY LEFT BLANK**			
AG		**HEALTH HOME SERVICES - Summary From FSR - Health Home Services**			
AG	190	**TOTAL REVENUE**	-	-	-
AG	290	**TOTAL EXPENDITURE**	-	-	-
AG	295	**NET HEALTH HOME SERVICES SURPLUS (DEFICIT)**	-	-	-
AG	390	**Total Redirected Funds**	-	-	-
AG	400	**BALANCE HEALTH HOME SERVICES**	-	-	-
AI		**HEALTHY MICHIGAN SERVICES - Summary From FSR - Healthy Michigan**			
AI	190	**TOTAL REVENUE**	13,781,144	-	13,781,144
AI	290	**TOTAL EXPENDITURE**	19,213,907	-	19,213,907
AI	295	**NET HEALTHY MICHIGAN SERVICES SURPLUS (DEFICIT)**	(5,432,763)	-	(5,432,763)
AI	390	**Total Redirected Funds**	-	5,432,763	5,432,763
AI	400	**BALANCE HEALTHY MICHIGAN SERVICES**	(5,432,763)	5,432,763	-
AK		**MI HEALTH LINK SERVICES - Summary From FSR - MI Health Link**			
AK	190	**TOTAL REVENUE**	-	-	-
AK	290	**TOTAL EXPENDITURE**	-	-	-
AK	295	**NET MI HEALTH LINK SERVICES SURPLUS (DEFICIT)**	-	-	-
AK	390	**Total Redirected Funds**	-	-	-
AK	400	**BALANCE MI HEALTH LINK SERVICES**	-	-	-
RES		**RESTRICTED FUND BALANCE ACTIVITY**			
RES	180	**Beginning Restricted Fund balance**	6,899,423		
RES	190	**TOTAL REVENUE (Deposits)**	1,832,735		
RES	290	**TOTAL EXPENDITURE (PBIP only)**	-		
RES	390	**Total Redirected Funds**	(1,515,433)		
RES	400	**BALANCE RESTRICTED FUND**	7,216,725		
B		**GENERAL FUND**			
B	100	**REVENUE**			
B	101	CMH Operations			-
B	102	Categorical			-
B	120	**Subtotal - Current Period General Fund Revenue**	-	-	-
B	121	1st & 3rd Party Collections (Not in Section 226a Funds) 100% Services			-
B	122	1st & 3rd Party Collections (Not in Section 226a Funds) 90% Services			-
B	123	Prior Year GF Carry Forward			-
B	140	**Subtotal - Other General Fund Revenue**	-	-	-
B	190	**TOTAL REVENUE**	-	-	-
B	200	**EXPENDITURE**			
B	201	100% MDHHS Matchable Services / Costs			-
B	202	100% MDHHS Matchable Services Based on CMHSP Local Match Cap	-	-	-
B	203	90% MDHHS Matchable Services / Costs - REPORTED			
		90% MDHHS Matchable Services / Costs - EXAMINATION ADJUSTMENTS			
		90% MDHHS Matchable Services / Costs - EXAMINED TOTAL $ -	-	-	-
B	290	**TOTAL EXPENDITURE**	-	-	-
B	295	**NET GENERAL FUND SURPLUS (DEFICIT)**	-	-	-
B	300	**Redirected Funds (To) From**			
B	301	(TO) Medicaid - Redirected for Unfunded Medicaid Costs - **A331** (PIHP use only)	-	-	-
B	301.1	(TO) Healthy Michigan - Redirected for Unfunded Healthy Michigan Costs - **AI331** (PIHP use only)	-	-	-
B	301.2	(TO) SUD Non-Medicaid - Redirected for Unfunded SUD Non-Medicaid Services **AC331** (PIHP use only)	-	-	-
B	301.3	(TO) MI Health Link - Redirected for Unfunded MI Health Link Costs - **AK331** (PIHP use only)	-	-	-
B	301.4	(TO) Health Home Services - Redirected for Unfunded Health Home Services **AG331** (PIHP use only)	-	-	-
B	304	(TO) Targeted Case Management - **D301**	-	-	-
B	305	(TO) GF Cost of SED - **E301**	-	-	-
B	306	(TO) GF Cost of SED - Not SED Waiver eligible - **E303**	-	-	-
B	308	(TO) GF Cost of Children's Waiver - **F301**	-	-	-
B	309	(TO) Allowable GF Cost of Injectable Medications - **G301**	-	-	-
B	310	(TO) PIHP to Affiliate Medicaid Services Contracts - **I304**	-	-	-
B	310.1	(TO) PIHP to Affiliate SUD (Non-Medicaid) Services Contracts - **IA304**	-	-	-
B	310.3	(TO) PIHP to Affiliate Health Home Services Contracts - **IC304**	-	-	-
B	310.4	(TO) PIHP to Affiliate MI Health Link Services Contracts - **ID304**	-	-	-
B	312	(TO) CMHSP to CMHSP Earned Contracts - **J305** (explain - section Q)	-	-	-
B	313	FROM CMHSP to CMHSP Earned Contracts - **J302**			-

MDHHS/CMHSP MANAGED MENTAL HEALTH SUPPORTS AND SERVICES CONTRACT (GF)
EXAMINED FINANCIAL STATUS REPORT - ALL NON MEDICAID
FOR THE YEAR ENDED SEPTEMBER 30, 2018

CMHSP: CMHPSM (Region 6)

			REPORTED	EXAMINATION ADJUSTMENTS	EXAMINED TOTALS
B	314	FROM Non-MDHHS Earned Contracts - **K302**			-
B	330	**Subtotal Redirected Funds rows 301 - 314**	-	-	-
B	331	FROM Local Funds - **M302**			-
B	332	FROM Risk Corridor - **N303**			-
B	390	**Total Redirected Funds**	-	-	-
B	400	**BALANCE GENERAL FUND (cannot be < 0)**	-	-	-
OTHER GF CONTRACTUAL OBLIGATIONS					
C		**INTENTIONALLY LEFT BLANK**			
FEE FOR SERVICE MEDICAID					
D		**TARGETED CASE MANAGEMENT - (GHS Only)**			
D	190	Revenue			-
D	290	Expenditure			-
D	295	**NET TARGETED CASE MANAGEMENT (cannot be > 0)**	-	-	-
D	300	**Redirected Funds (To) From**			
D	301	FROM General Fund - **B304**			-
D	302	FROM Local Funds - **M304**			-
D	303	(TO) CMHSP to CMHSP Earned Contracts - **J304.4**	-	-	-
D	304	FROM CMHSP to CMHSP Earned Contracts - **J303.4**			-
D	390	**Total Redirected Funds**	-	-	-
D	400	**BALANCE TARGETED CASE MANAGEMENT (GHS Only) (must = 0)**	-	-	-
E		**SED WAIVER**			
E	100	**REVENUE**			
E	101	FFS Medicaid - SED-Trad			-
E	102	FFS Medicaid - SED-DHS			-
E	190	**TOTAL REVENUE**	-	-	-
E	200	**EXPENDITURE**			
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	**TOTAL EXPENDITURE**	-	-	-
E	295	**NET SED WAIVER (DEFICIT)**	-	-	-
E	300	**Redirected Funds (To) From**			
E	301	FROM General Fund - **B305**			-
E	302	FROM Local Funds - **M305**			-
E	303	FROM General Fund - Not SED Waiver eligible - **B306**			-
E	304	FROM Local Funds - Not SED Waiver eligible - **M306**			-
E	390	**Total Redirected Funds**	-	-	-
E	400	**BALANCE SED WAIVER (must = 0)**	-	-	-
F		**CHILDREN'S WAIVER**			
F	190	Revenue			-
F	290	Expenditure			-
F	295	**NET CHILDREN'S WAIVER (cannot be > 0)**	-	-	-
F	300	**Redirected Funds (To) From**			
F	301	FROM General Fund - **B308**			-
F	302	FROM Local Funds - **M308**			-
F	303	FROM Activity not otherwise reported - **O301**			-
F	390	**Total Redirected Funds**	-	-	-
F	400	**BALANCE CHILDREN'S WAIVER (must = 0)**	-	-	-
G		**INJECTABLE MEDICATIONS**			
G	190	Revenue			-
G	290	Expenditure			-
G	295	**NET INJECTABLE MEDICATIONS (cannot be > 0)**	-	-	-
G	300	**Redirected Funds (To) From**			
G	301	FROM General Fund - **B309**			-
G	302	FROM Local Funds - **M309**			-
G	390	**Total Redirected Funds**	-	-	-
G	400	**BALANCE INJECTABLE MEDICATIONS (must = 0)**	-	-	-
OTHER FUNDING					
H		**MDHHS EARNED CONTRACTS**			
H	100	**REVENUE**			
H	101	PASARR			-
H	102	DHHS Block Grants for CMH services	229,756		229,756
H	103	DD Council Grants			-
H	104	PATH/Homeless			-
H	105	Prevention			-
H	106	Aging			-
H	107	HUD Shelter Plus Care			-
H	108	Multicultural Integration			-

MDHHS/CMHSP MANAGED MENTAL HEALTH SUPPORTS AND SERVICES CONTRACT (GF)
EXAMINED FINANCIAL STATUS REPORT - ALL NON MEDICAID
FOR THE YEAR ENDED SEPTEMBER 30, 2018

CMHSP: CMHPSM (Region 6)

			REPORTED	EXAMINATION ADJUSTMENTS	EXAMINED TOTALS
H	150	Other MDHHS Earned Contracts (describe):			-
H	151	Other MDHHS Earned Contracts (describe):			-
H	190	**TOTAL REVENUE**	229,756	-	229,756
H	200	**EXPENDITURE**			
H	201	PASARR			-
H	202	DHHS Block Grants for CMH services	229,756		229,756
H	203	DD Council Grants			-
H	204	PATH/Homeless			-
H	205	Prevention			-
H	206	Aging			-
H	207	HUD Shelter Plus Care			-
H	208	Multicultural Integration			-
H	250	Other MDHHS Earned Contracts (describe):			-
H	251	Other MDHHS Earned Contracts (describe):			-
H	290	**TOTAL EXPENDITURE**	229,756	-	229,756
H	400	**BALANCE MDHHS EARNED CONTRACTS (must = 0)**	-	-	-

I		**PIHP to AFFILIATE MEDICAID SERVICES CONTRACTS - CMHSP USE ONLY**			
I	100	**REVENUE**			
I	101	Revenue - from PIHP Medicaid (incl Autism)			-
I	104	Revenue - from PIHP Healthy Michigan Plan (incl Autism)			-
I	122	1st & 3rd Party Collections - Medicare/Medicaid Consumers - Affiliate			-
I	123	1st & 3rd Party Collections - Healthy Michigan Plan Consumers - Affiliate			-
I	190	**TOTAL REVENUE**	-	-	-
I	201	Expenditure - Medicaid (incl Autism)			-
I	202	Expenditure - Healthy Michigan Plan (incl Autism)			-
I	203	Expenditure - MI Health Link (Medicaid) Services			-
I	290	**TOTAL EXPENDITURE**	-	-	-
I	295	**NET PIHP to AFFILIATE MEDICAID SERVICES CONTRACTS SURPLUS (DEFICIT)**	-	-	-
I	300	**Redirected Funds (To) From**			
I	301	(TO) CMHSP to CMHSP Earned Contracts - **J306**	-	-	-
I	302	FROM CMHSP to CMHSP Earned Contracts - **J303**			-
I	303	FROM Non-MDHHS Earned Contracts - **K303**			-
I	304	FROM General Fund - **B310**			-
I	306	FROM Local Funds - **M309.1**			-
I	390	**Total Redirected Funds**	-	-	-
I	400	**BALANCE PIHP to AFFILIATE MEDICAID SERVICES CONTRACTS (must = 0)**	-	-	-

IA		**PIHP to AFFILIATE SUBSTANCE USE DISORDER (NON-MEDICAID) CONTRACTS - CMHSP USE ONLY**			
IA	100	**REVENUE**			
IA	101	Revenue - SUD Non-Medicaid - from PIHP			-
IA	122	Revenue - Fees & Collections - Affiliate			-
IA	190	**TOTAL REVENUE**	-	-	-
IA	200	**EXPENDITURE**			
IA	201	Expenditure			-
IA	290	**TOTAL EXPENDITURE**	-	-	-
IA	295	**NET PIHP to AFFILIATE SUD (NON-MEDICAID) SERVICES CONTRACTS SURPLUS (DEFICIT)**	-	-	-
IA	300	**Redirected Funds (To) From**			
IA	301	(TO) CMHSP to CMHSP Earned Contracts - **J306.2**	-	-	-
IA	302	FROM CMHSP to CMHSP Earned Contracts - **J303.2**			-
IA	303	FROM Non-MDHHS Earned Contracts - **K303.2**			-
IA	304	FROM General Fund - **B310.1**			-
IA	306	FROM Local Funds - **M309.2**			-
IA	390	**Total Redirected Funds**	-	-	-
IA	400	**BALANCE PIHP to AFFILIATE SUD (NON-MEDICAD) SERVICES CONTRACTS (must = 0)**	-	-	-

IB		**INTENTIONALLY LEFT BLANK**			

IC		**PIHP to AFFILIATE HEALTH HOME SERVICES CONTRACTS - CMHSP USE ONLY**			
IC	190	Revenue - Medicaid Health Home Services - from PIHP			-
IC	290	Expenditure - Medicaid Health Home Services			-
IC	295	**NET PIHP to AFFILIATE HEALTH HOME SERVICES CONTRACTS SURPLUS (DEFICIT)**	-	-	-
IC	300	**Redirected Funds (To) From**			
IC	304	FROM General Fund - **B310.3**			-
IC	306	FROM Local Funds - **M309.4**			-
IC	390	**Total Redirected Funds**	-	-	-
IC	400	**BALANCE PIHP to AFFILIATE HEALTH HOME SERVICES CONTRACTS (must = 0)**	-	-	-

ID		**PIHP to AFFILIATE MI HEALTH LINK SERVICES CONTRACTS - CMHSP USE ONLY**			
ID	100	**REVENUE**			
ID	101	Revenue - MI Health Link - from PIHP			-
ID	122	1st & 3rd Party Collections - MI Health Link Consumers - Affiliate			-
ID	190	**TOTAL REVENUE**	-	-	-
ID	200	**EXPENDITURE**			
ID	201	Expenditure			-
ID	290	**TOTAL EXPENDITURE**	-	-	-
ID	295	**NET PIHP to AFFILIATE MI HEALTH LINK SERVICES CONTRACTS SURPLUS (DEFICIT)**	-	-	-
ID	300	**Redirected Funds (To) From**			
ID	301	(TO) CMHSP to CMHSP Earned Contracts - **J306.3**	-	-	-
ID	302	FROM CMHSP to CMHSP Earned Contracts - **J303.3**			-

MDHHS/CMHSP MANAGED MENTAL HEALTH SUPPORTS AND SERVICES CONTRACT (GF)
EXAMINED FINANCIAL STATUS REPORT - ALL NON MEDICAID
FOR THE YEAR ENDED SEPTEMBER 30, 2018

CMHSP: CMHPSM (Region 6)

			REPORTED	EXAMINATION ADJUSTMENTS	EXAMINED TOTALS
ID	303	FROM Non-MDHHS Earned Contracts - K303.3			-
ID	304	FROM General Fund - **B310.4**			-
ID	306	FROM Local Funds - **M309.3**			-
ID	390	**Total Redirected Funds**	-	-	-
ID	400	**BALANCE PIHP to AFFILIATE MI HEALTH LINK SERVICES CONTRACTS (must = 0)**	-	-	-
J		**CMHSP to CMHSP EARNED CONTRACTS**			
J	190	Revenue			-
J	290	Expenditure			-
J	295	**NET CMHSP to CMHSP EARNED CONTRACTS SURPLUS (DEFICIT)**	-	-	-
J	300	**Redirected Funds (To) From**			
J	301	(TO) Medicaid Services - **A302** (PIHP use only)	-	-	-
J	301.1	(TO) Healthy Michigan - **AI302** (PIHP use only)	-	-	-
J	301.2	(TO) SUD (Non-Medicaid) Services Contracts - **AC302** (PIHP use only)	-	-	-
J	301.3	(TO) MI Health Link - **AK302** (PIHP use only)	-	-	-
J	302	(TO) General Fund - **B313**	-	-	-
J	303	(TO) PIHP to Affiliate Medicaid Services Contracts - **I302**	-	-	-
J	303.2	(TO) PIHP to Affiliate SUD (Non-Medicaid) Services Contracts - **IA302**	-	-	-
J	303.3	(TO) PIHP to Affiliate MI Health Link Services Contracts - **ID302**	-	-	-
J	303.4	(TO) Targeted Case Management - **D304**	-	-	-
J	304	FROM Medicaid Services - **A301** (PIHP use only)			-
J	304.1	FROM Healthy Michigan - **AI301** (PIHP use only)			-
J	304.2	FROM SUD (Non-Medicaid) Service Contracts - **AC301** (PIHP use only)			-
J	304.3	FROM MI Health Link - **AK301** (PIHP use only)			-
J	304.4	FROM Targeted Case Management - **D303**			-
J	305	FROM General Fund - **B312**			-
J	306	FROM PIHP to Affiliate Medicaid Services Contracts - **I301**			-
J	306.2	FROM PIHP to Affiliate SUD (Non-Medicaid) Services Contracts - **IA301**			-
J	306.3	FROM PIHP to MI Health Link Services Contracts - **ID301**			-
J	307	FROM Local Funds - **M310**			-
J	390	**Total Redirected Funds**	-	-	-
J	400	**BALANCE CMHSP to CMHSP EARNED CONTRACTS (must = 0)**	-	-	-
K		**NON-MDHHS EARNED CONTRACTS**			
K	190	Revenue			-
K	290	Expenditure			-
K	295	**NET NON-MDHHS EARNED CONTRACTS SURPLUS (DEFICIT)**	-	-	-
K	300	**Redirected Funds (To) From**			
K	301	(TO) Medicaid Services - **A303** (PIHP use only)	-	-	-
K	301.1	(TO) Healthy Michigan - **AI303** (PIHP use only)	-	-	-
K	301.2	(TO) SUD (Non-Medicaid) Services Contracts - **AC303** (PIHP use only)	-	-	-
K	301.3	(TO) MI Health Link - **AK303** (PIHP use only)	-	-	-
K	302	(TO) General Fund - **B314**	-	-	-
K	303	(TO) PIHP to Affiliate Medicaid Services Contracts - **I303**	-	-	-
K	303.2	(TO) PIHP to Affiliate SUD (Non-Medicaid) Services Contracts - **IA303**	-	-	-
K	303.3	(TO) PIHP to Affiliate MI Health Link Services Contracts - **ID303**	-	-	-
K	304	(TO) Local Funds - **M315**	-	-	-
K	305	FROM Local Funds - **M311**			-
K	390	**Total Redirected Funds**	-	-	-
K	400	**BALANCE NON-MDHHS EARNED CONTRACTS (must = 0)**	-	-	-
L		**Intentionally left Blank**			
M		**LOCAL FUNDS**			
M	100	**REVENUE**			
M	101	County Appropriation for Mental Health			-
M	102	County Appropriation for Substance Abuse - Non Public Act 2 Funds			-
M	103	Section 226 (a) Funds	-	-	-
M	104	Affiliate Local Contribution to State Medicaid Match Provided from CMHSP (PIHP only)	1,577,780		1,577,780
M	105	Medicaid Fee for Service Adjuster Payments			-
M	106	Local Grants			-
M	107	Interest	6,547		6,547
M	109	SED Partner			-
M	110	All Other Local Funding			-
M	111	Performance Bonus Incentive Pool (PBIP) Restricted Local Funding			-
M	190	**TOTAL REVENUE**	1,584,327	-	1,584,327
M	200	**EXPENDITURE**			
M	201	GF 10% Local Match	-	-	-
M	202	Reported Local match cap amount			
		Examination Adjustment Local match cap amount			
		Local match cap amount	$ -		
M	203	GF Local Match Capped per MHC 330.1308	-	-	-
M	204	Local Cost for State Provided Services			-
M	205	Local Contribution to State Medicaid Match (CMHSP Contribution Only)			-
M	206	Local Contribution to State Medicaid Match on Behalf of Affiliate (PIHP Only)	1,577,780		1,577,780
M	207	Local Match to Grants and MDHHS Earned Contracts			-
M	209	Local Only Expenditures			-
M	290	**TOTAL EXPENDITURE**	1,577,780	-	1,577,780
M	295	**NET LOCAL FUNDS SURPLUS (DEFICIT)**	6,547	-	6,547
M	300	**Redirected Funds (To) From**			

MDHHS/CMHSP MANAGED MENTAL HEALTH SUPPORTS AND SERVICES CONTRACT (GF)
EXAMINED FINANCIAL STATUS REPORT - ALL NON MEDICAID
FOR THE YEAR ENDED SEPTEMBER 30, 2018

CMHSP: CMHPSM (Region 6)

			REPORTED	EXAMINATION ADJUSTMENTS	EXAMINED TOTALS
M	301	(TO) Medicaid Services - **A332** (PIHP use only)	-	-	-
M	301.1	(TO) Healthy Michigan - **AI332** (PIHP use only)	-	-	-
M	301.2	(TO) SUD (Non-Medicaid) Services - **AC332** (PIHP use only)	-	-	-
M	301.3	(TO) MI Health Link - **AK332** (PIHP use only)	-	-	-
M	301.4	(TO) Health Home Services - **AG332** (PIHP use only)	-	-	-
M	302	(TO) General Fund - **B331**	-	-	-
M	304	(TO) Targeted Case Management - **D302**	-	-	-
M	305	(TO) SED Waiver - **E302**	-	-	-
M	306	(TO) SED Waiver - Not SED Waiver eligible - **E304**	-	-	-
M	308	(TO) Children's Waiver - **F302**	-	-	-
M	309	(TO) Injectable Medications - **G302**	-	-	-
M	309.1	(TO) PIHP to Affiliate Medicaid Services Contracts - **I306**	-	-	-
M	309.2	(TO) PIHP to Affiliate SUD (Non-Medicaid) Services Contracts - **IA306**	-	-	-
M	309.3	(TO) PIHP to Affiliate MI Health Link Services Contracts - **ID306**	-	-	-
M	309.4	(TO) PIHP to Affiliate Health Home Services Contracts - **IC306**	-	-	-
M	310	(TO) CMHSP to CMHSP Earned Contracts - **J307**	-	-	-
M	311	(TO) Non-MDHHS Earned Contracts - **K305**	-	-	-
M	313	(TO) Activity Not Otherwise Reported - **O302**	-	-	-
M	313.3	FROM MI Health Link (Medicare) - **AK336** - (PIHP use only)			-
M	315	FROM Non-MDHHS Earned Contracts - **K304**			-
M	390	**Total Redirected Funds**	-	-	-
M	400	**BALANCE LOCAL FUNDS**	6,547	-	6,547

N		**RISK CORRIDOR**			
N	100	**REVENUE**			
N	101	Stop/Loss Insurance			-
N	102	Medicaid ISF for PIHP Share Risk Corridor	7,215,174	(149,507)	7,065,667
N	103	MDHHS for MDHHS Share of Medicaid Risk Corridor		7,517,412	7,517,412
N	190	**TOTAL REVENUE**	7,215,174	7,367,905	14,583,079
N	300	**Redirected Funds (To) From**			
N	301	(TO) Medicaid Services - PIHP Share - **A333** (PIHP use only)	(7,065,667)	-	(7,065,667)
N	301.1	(TO) Healthy Michigan - PIHP Share - **AI333** (PIHP use only)	-	(4,286,744)	(4,286,744)
N	302	(TO) Medicaid Services - MDHHS Share - **A334** (PIHP use only)	-	(6,371,393)	(6,371,393)
N	302.1	(TO) Healthy Michigan - MDHHS Share - **AI334** (PIHP use only)	-	(1,146,019)	(1,146,019)
N	303	(TO) General Fund - **B332**	-	-	-
N	390	**Total Redirected Funds**	(7,065,667)	(11,804,156)	(18,869,823)
N	400	**BALANCE RISK CORRIDOR (must = 0)**	149,507	(4,436,251)	(4,286,744)

O		**ACTIVITY NOT OTHERWISE REPORTED**			
O	100	**REVENUE**			
O	101	Other Revenue (describe): CMHSP Reimbursement Revenue for SIS Assessements by PIHP	296,562		296,562
O	102	Other Revenue (describe):			-
O	103	Other Revenue (describe):			-
O	190	**TOTAL REVENUE**	296,562	-	296,562
O	200	**EXPENDITURE**			
O	201	Other Expenditure (describe): PIHP Expenditures for CMHSP SIS Assessments	296,562		296,562
O	202	Other Expenditure (describe):			-
O	203	Other Expenditure (describe):			-
O	290	**TOTAL EXPENDITURE**	296,562	-	296,562
O	295	**NET ACTIVITY NOT OTHERWISE REPORTED SURPLUS (DEFICIT)**	-	-	-
O	300	**Redirected Funds (To) From**			
O	301	(TO) Children's Waiver - **F303**	-	-	-
O	302	FROM Local Funds - **M313**			-
O	390	**Total Redirected Funds**	-	-	-
O	400	**BALANCE ACTIVITY NOT OTHERWISE REPORTED**	-	-	-

P		**GRAND TOTALS**			
P	190	**GRAND TOTAL REVENUE**	168,125,508	7,367,905	175,493,413
P	290	**GRAND TOTAL EXPENDITURE**	177,931,473	-	177,931,473
P	390	**GRAND TOTAL REDIRECTED FUNDS (must = 0)**	-	-	-
P	400	**NET INCREASE (DECREASE)**	(9,805,965)	7,367,905	(2,438,060)

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 / MDHHS.
Q		Preparer's notes:
Q		1) The formula for RES390 was updated to remove the negative (-) which was causing P390 to shown a balance in redirected funds.
Q		2) The formulas for the Examined Grand Total Revenue, Grand Total Expenditures and Grand Total Redirected Funds did not include the RES Restricted Fund Balance Activity.
Q		The formulas in the Examined Column were updated to include the RES activity shown in the Reported Column.
Q		Examination adjustments:
Q		An examination adjustment was made to Row N102 to correspond with an examination adjustment that was made to the Internal Service Fund FSR. Row N102 was decreased from $7,215,174 to $7,065,667; a change of $149,507.
Q		An examination adjustment was made to Row N103 to correspond with examination adjustments that were made to the Shared Risk Calculation & Risk Financing. Row N103 was increased from $0 to $7,517,412; a change of $7,517,412.
Q		
Q		Row N400 Balance Risk Corridor (Examined Total) is $4,286,744 which represents the PIHP's portion of the risk corridor that is unfunded. See Finding 2018-01.
Q		

Examined Financial Status Report – Medicaid
An examination adjustment was made to increase A334 From Risk Corridor - MDHHS Share as this row was left blank on the FSR that was submitted.

- Row A334 From Risk Corridor - MDHHS Share was increased from $0 to $6,371,393; a change of $6,371,393

Examined Financial Status Report – Healthy Michigan
An examination adjustment was made to increase From Risk Corridor as these rows were left blank on the FSR that was submitted.

- Row AI333 From Risk Corridor - PIHP Share was increased from $0 to $4,286,744; a change of $4,286,744
- Row AI334 From Risk Corridor - MDHHS Share was increased from $0 to $1,146,019; a change of $1,146,019

Examined Internal Service Fund
An examination adjustment was made to agree 1.a ISF Balance @ Beginning of Fiscal Year with the FY18 audited financial statements. A prior period adjustment was included in the FY18 audited financial statements as the FY17 transfer from ISF to Mental Health Fund was understated by $149,507 as a result of an overstatement of the FY17 Autism receivable (in the Mental Health Fund).

- 1.a ISF Balance @ Beginning of Fiscal Year was decreased from $7,135,209 to $6,985,702; a change of $(149,507)
- A corresponding decrease was made to 1.a Current Period ISF Financing Medicaid (Risk) was decreased from $(7,215,174) to $(7,065,667); a change of $149,507

Examined Shared Risk Calculation and Risk Financing
An examination adjustment was made to agree Row 2.b Medicaid / HMP for PIHP Share Risk Corridor to Row 1.c6 Total Risk Responsibility (Local Risk). Row 2.b was increased from $7,215,174 to $11,352,411; a change of $4,137,237.

An examination adjustment was made to agree Row 2.e Due PIHP from MDHHS to Row 1.c6 Total Risk Responsibility (State Risk). Row 2.e was decreased from $11,654,649 to $7,517,412; a change of $4,137,237.

An examination adjustment was made to agree Row 3.b Total Disposition of MDHHS / Local Risk - Medicaid (State Risk) to Medicaid FSR Row A334 From Risk Corridor - MDHHS Share. Row 3.b was decreased from $11,654,649 to $6,371,393; a change of $5,283,256.

An examination adjustment was made to agree Row 3.b Total Disposition of MDHHS / Local Risk - Medicaid (Local Risk) to Medicaid FSR Row A333 From Risk Corridor - PIHP Share. Row 3.b was decreased from $7,215,174 to $7,065,667; a change of $149,507.

An examination adjustment was made to agree Row 3.b1 Total Disposition of MDHHS / Local Risk - Healthy Michigan Plan (State Risk) to Healthy Michigan FSR Row AI334 From Risk Corridor - MDHHS Share. Row 3.b1 was increased from $0 to $1,146,019; a change of $1,146,019.

An examination adjustment was made to agree Row 3.b1 Total Disposition of MDHHS / Local Risk - Healthy Michigan Plan (Local Risk) to Healthy Michigan FSR Row AI333 From Risk Corridor - PIHP Share. Row 3.b1 was increased from $0 to $4,286,744; a change of $4,286,744.

Examined Financial Status Report – All Non Medicaid
An examination adjustment was made to Row N102 to correspond with an examination adjustment that was made to the Internal Service Fund FSR. Row N102 was decreased from $7,215,174 to $7,065,667; a change of $149,507.

An examination adjustment was made to Row N103 to correspond with examination adjustments that were made to the Shared Risk Calculation & Risk Financing. Row N103 was increased from $0 to $7,517,412; a change of $7,517,412.

During our compliance audit, we may have become aware of matters that are opportunities for strengthening internal controls, improving compliance and increasing operating efficiency. These matters are not individually or cumulatively material weaknesses in internal control over the Medicaid Contract, General Fund Contract, and/or Community Mental Health Services Block Grant program(s). Furthermore, we consider these matters to be immaterial deficiencies, not findings. The following comments and recommendations are in regard to those matters.

2018-02 FSR Examination Adjustments

Criteria or specific requirements:
The FSR must include revenues and expenditures in proper categories and follow the reporting instructions. (Contract Section 7.8)

Condition:
The PIHP is not in compliance with FSR instructions.

Examination adjustments:
Examination adjustments were made to sections of the FSR. See detailed descriptions of these examination adjustments in the Explanation of Examination Adjustments section of this report.

Context and perspective:
The examination adjustments were made to the PIHP's FSR to bring the FSR in accordance with the reporting instructions. The adjustments that were made pertained to the State and Local Share of the Risk Corridor and related reporting. The PIHP did not have sufficient resources to meet its portion of the risk corridor which presented unique challenges in completing the FSR.

Effect:
See detailed descriptions of these examination adjustments in the Explanation of Examination Adjustments section of this report.

Recommendations:
The PIHP should review its current policies and procedures regarding the preparation and review of the Financial Status Report to assure that all amounts are reported in compliance with the reporting instructions. Specifically, a review of the final draft should be performed by a knowledgeable person who is independent from the original preparation of the report(s).

Views of responsible officials:
Management is in partial agreement with the recommendation, with the clarification that the CMHPSM entity was not provided with sufficient resources to provide the medically necessary services to the eligible population during state fiscal years 2017 or 2018. Insufficient funding to the CMHPSM region has precipitated the exhaustion of all Internal Service Fund resources, which forced an administrative appeal to MDHHS. The cited condition of non-compliance with Financial Status Report instructions derives from the CMHPSM region's assertion that the use of local funding is prohibited by law to cover the cost of delivering medically necessary Medicaid services to eligible individuals. On the specific assertion that a final draft be reviewed by a knowledgeable person who is independent from the original preparations of the report(s), the CMHPSM asserts that this did occur and that the unique financial status, administrative appeal and independent legal recommendation predicated the non-compliance with the reporting instructions. The CMHPSM Regional Operations Committee and legal counsel are knowledgeable and independent of the preparation of the report(s).

Planned corrective action:
The CMHPSM will review its current policies and procedures for any potential revisions that could be made in conjunction with the examination condition, as long as those changes: do not impact the health and safety of the individuals served within our region, negatively impact the status of the administrative appeal or any subsequent legal actions, and maintain the CMHPSM and its CMHSP partners compliance with Federal, State or local laws and regulations, specifically related to the use of local funding to cover qualified, medically necessary Medicaid services for eligible individuals.

Responsible party:
CMHPSM and CMHPSM's Regional Operations Committee

Anticipated completion date:
September 30, 2019