

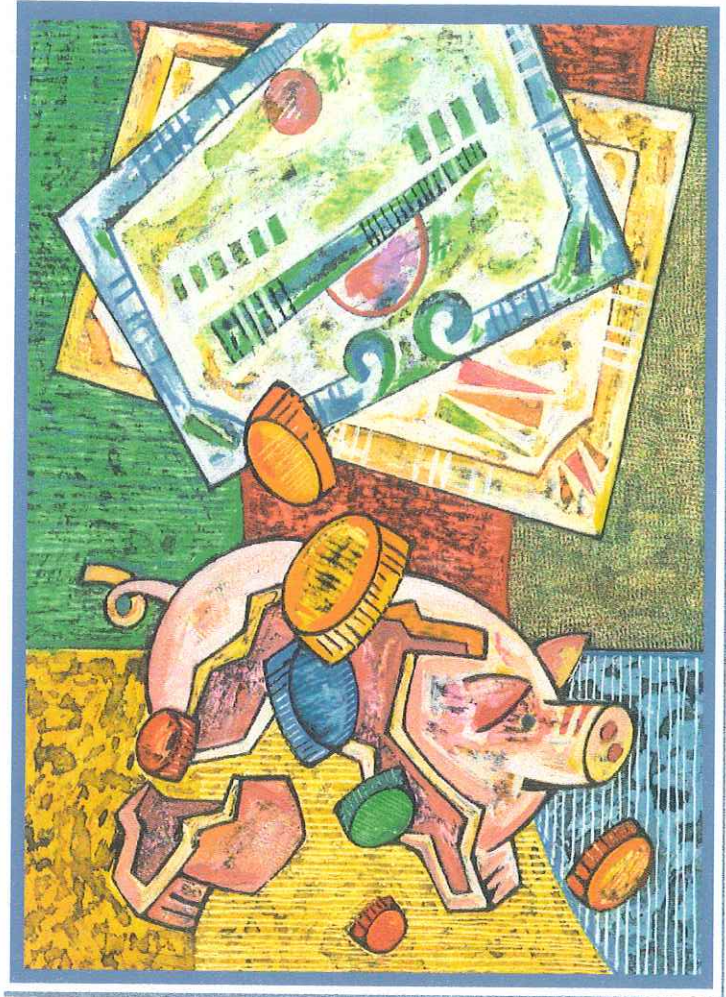
ANNUAL BUDGET

FISCAL YEAR 2012-2013

- The Fiscal Picture
- Consumer and Community Needs
- Program Plans
- Future Challenges



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**ANNUAL BUDGET
FISCAL YEAR 2012-2013**

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SECTION I



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WCHO MISSION AND FUNCTIONAL CHART

To provide leadership for the development and implementation of unique, effective models of integrated healthcare that create medical homes for persons with mental illness, developmental disabilities and substance abuse disorders; to disseminate learning and continue to be a catalyst for change in our local, state and national community.

WASHTENAW COMMUNITY HEALTH ORGANIZATION

ADMINISTRATIVE FUNCTIONS:

Executive and Managing
Budget and Finance
Acquisition, Requirements, Compliance
Policy, Risk, Quality
Recipient Rights, Customer Services, Fair Hearings
Community Outreach
Information Management
Service Delivery System
Utilization Review

ACCESS SYSTEM:
Intake
Assessment
Crisis
Emergency Services

PROVIDER PANEL—
CONTRACTED SERVICES

LEAD AGENCY

Psychiatric Inpatient
Hospitalization

Licensed Facilities:
Specialized Residential
Adult/Child Foster Care

Community Living Supports

Substance Abuse Core
Providers

Cross-Population Services:
Psychiatry
Nursing
Peer Supports

Services for
Individuals with a
Severe Mental
Illness

Services for
Individuals with a
Developmental
Disability

Services for
Individuals with a
Serious Emotional
Disturbance

SERVICE DELIVERY SYSTEM

WASHTENAW COMMUNITY MENTAL HEALTH ANNUAL BUDGET

FISCAL YEAR 2012-2013

ENABLING LEGISLATION

The Washtenaw Community Health Organization (WCHO)

- Legislation signed by the governor of Michigan in 2001 allowed for a governmental agency to be formed under the Urban Cooperation Act by the Washtenaw County Board of Commissioners and the Regents of the University of Michigan.
- In accordance with the Michigan Mental Health Code, Act 258 of 1974, (MH Code), a community mental health organization formed under the Urban Cooperation Act (e.g., the WCHO) is a public governmental entity separate from the county that established it.

Community Mental Health Services Program (CMHSP)

- The WCHO has been approved by the State of Michigan as the Community Mental Health Services Program (CMHSP) for Washtenaw County in accordance with Section 232a of the MH Code.

Prepaid Inpatient Health Plan (PIHP)

- The WCHO is also the Prepaid Inpatient Health Plan (PIHP) for the four-county region including Lenawee, Livingston, Monroe and Washtenaw.
- Pursuant to Michigan's Medicaid State Plan and federally-approved 1915(b) Waiver and 1915(c) Habilitation Supports Waiver (HSW), community-based mental health, substance abuse and developmental disability specialty services and supports are covered by Medicaid when delivered under the auspices of an approved PIHP.

Substance Abuse Coordinating Agency (CA)

- The WCHO is also the Coordinating Agency (CA) for the three-county region including Lenawee, Livingston and Washtenaw.
- Under PA 368, rules were compiled authorizing an organization to provide specific substance abuse treatment, rehabilitation services or prevention services and to receive public funds, patient fees, and third party payments for providing services.
- Section 6231 of 1978 PA 368, MCL 333.6231 and Executive Order Nos. 1991-3, 1996-1, and 1997-4, MCL 333.36321, 330.3101 and 333.26324 empowered the Director of Department of Community Health to create the Substance Abuse Coordinating Agency.

TRANSITION TO EMPLOYER STATUS

From Leased to Hired

- The transition of the WCHO from the current personnel lease arrangement with Washtenaw County to a direct employer model for key administrative positions will proceed over the next several months. This conversion will involve transfer of core positions related to the administrative duties and managed care functions of the organization.
- The WCHO will continue to contract with Washtenaw County for certain direct care services delivered by the Washtenaw County Community Support and Treatment Services Department (CSTS) under a “master contract” arrangement.

Core Functions of Management Group

- The positions/functions that will be addressed first in the transition to the direct employer model include the Executive Director, as well as the Directors for Organizational Management, Budget and Financing, Provider Acquisition, Service System, Information Management, and Community Outreach. Some of these organizational “boxes” will be renamed to reflect the essential administrative and/or managed care function that each position will focus upon.
- As the transition and redesign process continues, other (limited) personnel/functions will be added to meet certain statutory and organizational requirements. These tentatively include – but are not limited to - the Medical Director, Requirements and Compliance Management functions, Rights, other due processes (e.g., Fair Hearings) and/or complaint related (or system navigation) activities (e.g., Customer Services), Quality and Performance Management, Risk Identification and Mitigation tasks, Substance Abuse Coordination, and Policies and Procedures.
- Within these areas will also reside the capacity for utilization management, outcome analysis, and quality monitoring of the entire provider network of the WCHO. To this end, funding for these generic functions has been included in the budget.

FUNDING SOURCES

State General Funds paid to the CMHSP:

- The Michigan Department of Community Health (MDCH) authorizes State General Funds for community services and for inpatient state facility utilization. These authorizations may be adjusted throughout the year and may also include transfers pursuant to section 236 and section 307 of the Mental Health Code (MH Code). Funding is also contingent upon the funding contained in the current year state legislative Appropriations Act.
- The CMHSP is also obligated to provide local matching funds as stipulated in the MH Code.
 - Revenue sources for this local obligation include
 - County Appropriations
 - Appropriations from other local governments such as cities and townships
 - Gifts and donations
 - Earned interest
 - First and third party reimbursements reported under the Special Fund Account pursuant to section 226a of the Michigan Mental Health Code
 - The local obligation is ten percent of service costs. The following exclusions apply:
 - Residential programs, including mental health services provided in the residency of the recipient and are part of a comprehensive individual plan of services (IPOS).
 - Services provided to people whose residency is transferred according to section 307 of the MH Code.
 - Programs that are State responsibilities and that the State has transferred to the CMHSP
 - The CMHSP also participates in the implementation of PA 131 of 2009, Section 428, which authorizes the MDCH to establish a separate account for the sole purpose of covering increased Medicaid capitation rates. The CMHSP provides local funds through the PIHP for deposit into this State contingency account.
- At the conclusion of the fiscal year, the CMHSP may carry forward up to 5% of the state mental health General Funds into the next fiscal year. The succeeding fiscal year budget will include planned expenditures of the full amount carried forward. Unexpended funds in that succeeding year must be returned to MDCH.
- No Internal Services Fund (risk protection) may be maintained with General Fund dollars.

Medicaid

- MDCH operates a Section 1915(b) Medicaid managed Specialty Services and support Program Waiver. Under this waiver, selected state plan specialty services related to mental health and developmental disability services as well as certain covered substance abuse services, have been carved out (removed) from Medicaid primary physical health care plans and arrangements. The 1915(b) Specialty Services Waiver Program operates in conjunction with Michigan’s existing 1915(c) Habilitation Supports Waiver (HSW) for persons with developmental disabilities. The concurrent 1915(b)/(c) programs are managed on a shared risk basis by Prepaid Inpatient Health Plans (PIHPs) that have been selected through the Application for Participation (AFP) process.

- Medicaid funding is a shared risk arrangement whereby the PIHP may set aside a risk pool (Internal Services Fund—ISF) to cover potential future shortfalls of Medicaid funding and to cover unforeseen Medicaid expenses. The PIHP’s shared risk is up to 7.5% of the total deficit: the first 5% is the PIHP’s responsibility, the second 5% is shared equally with the state, and the remaining deficit is borne totally by the state.

- Capitated payments are set by the state and issued to the PIHP monthly. The rates are based on a number of factors relating to Medicaid beneficiaries developed by the actuary agency, Milliman, Inc. **[APPENDIX F]**
 - Factors include
 - Number of TANF (Temporary Assistance for Needy Families) beneficiaries
 - Number of DAB (Disabled and Blind) beneficiaries
 - Age
 - Gender
 - Geographical Factor
 - Enrollment in the Habilitation Waiver

Adult Benefit Waiver

- Under the approval granted by the Centers for Medicare and Medicaid Services (CMS), MDCH operates an Adult Benefit Waiver (ABW) Section 1115 demonstration program. Under this waiver, selected ABW services related to mental health and substance abuse services are provided to beneficiaries through a managed healthcare delivery system. In Michigan, the ABW Program is managed on a full risk basis by PIHPs.
- Services authorized and provided must meet medical necessity standards.

Children's Waiver

- MDCH makes the determination of who is approved to be on this Waiver. The Children's Waiver is a fee-for-service Medicaid program. MDCH reimburses costs up to their maximum rates in accordance with each consumer's MDCH-approved budget and Medicaid reimbursement amounts. Costs above the allowed amounts have to be covered with General Funds.

MiChild program

- MDCH provides the federal share of the MiChild funds as a capitated payment for MiChild-covered mental health services. General Funds must be used to cover the remaining costs.

Substance Abuse Coordinating Agency

- In addition to receiving Medicaid and ABW funds through the PIHP, the Coordinating Agency also receives state funding through the Substance Abuse Prevention and Treatment Block Grant, under Title 45: 45 C.F.R. Part 96, subparts A through F.
- Under the General Property Tax Act, Act 206 of 1893, PA2 of 1986 (MCL 211.24e(11)) was passed. This legislation directs that a portion of each county's state convention facility development fund revenue be distributed for substance abuse prevention and treatment programs within the county. (a/k/a PA2). These funds are considered local but must be used only for substance abuse prevention and treatment services.

Grants and Earned Contracts

- The WCHO actively seeks additional funding through grants and earned contracts. In addition to Block Grants from the state, the WCHO has been awarded several million dollars in other Federal and Private grants over the past few years. These grants allow the WCHO to participate in national studies, to garner data for analysis to improve services for our populations, and to provide services that go beyond the funding provided by the State.
- The Substance Abuse Coordinating Agency also seeks and has been awarded state and federal grants.

Specialty Services Fund

- During fiscal year 2010-2011, the WCHO received a bequest from a consumer that had received services from us during her life. These funds are considered local dollars and may be used in a number of ways. Funds will be used as matching funds to leverage additional funding and for special projects as approved by the Board. A separate fund has been established to monitor and report on these funds.

TARGET POPULATIONS

Who We Serve

- Services are provided to individuals who have a serious mental illness, serious emotional disturbance, developmental disability, or have a substance use disorder.
- For non-Medicaid consumers, priority is given to individuals with the most severe forms of serious mental illness, serious emotional disturbance, and developmental disability in urgent or emergency situations. Because the State General Funds are very limited, a Wait List is maintained for non-emergency services.
- An individual shall not be denied service because an individual is unable to pay for the service.
- The PIHP serves Medicaid beneficiaries who have a serious mental illness, serious emotional disturbance, or developmental disability and are in their designated service area. For the WCHO, that area includes Lenawee, Livingston, Monroe, and Washtenaw.
- Individuals who are enrolled in a waiver such as the Adult Benefit Waiver are eligible for services provided through the limitations of the specific waiver.

Medicaid Eligibles

- Medicaid beneficiaries whose needs render them eligible for specialty services and supports are served through the PIHP, its Provider Network and/or CSTS. Those who are experiencing or demonstrating mild or moderate psychiatric symptoms and are not eligible for specialty services receive services through the State's fee-for-service Medicaid Program.
- The number of Medicaid Eligibles in the Southeast Michigan region (Lenawee, Livingston, Monroe and Washtenaw) has steadily increased. From October 2007 to June 2012, that number has risen from 58,888 to 79,374, a 34.79% increase over that time period. Medicaid Eligibles served has risen only 18.87% over that same time period.

Numbers Served

- Medicaid consumers served in the four-county region has increased from 3,597 to 4,276, an increase of 431 or 18.87%, between October 2007 and June 2012.
- Because the number of eligibles has risen so dramatically, the percent of Medicaid beneficiaries served to the number of eligibles has actually decreased from 6.11% to 5.39%.

PURPOSE AND SERVICES

General Fund Supports and Services

- The purpose of a community mental health services program (CMHSP) is to provide a comprehensive array of mental health services appropriate to conditions of individuals who are located within its geographic service area regardless of an individual's ability to pay.
- The array of services includes the following:
 - Crisis stabilization and emergency services that can respond to persons experiencing acute emotional, behavioral, or social dysfunctions, and the provision of inpatient or other protective environment for treatment.
 - Assessment and diagnosis
 - Planning, linking, coordinating, follow-up, and monitoring
 - Specialized mental health services
 - Training, treatment, support
 - Therapeutic clinical interactions
 - Socialization and adaptive skill and coping skills training
 - Health and rehabilitative services
 - Pre-vocational and vocational services
 - Recipient Rights
 - Mental Health advocacy
 - Prevention activities

Medicaid Supports and Services [APPENDIX C]

- Medicaid-covered services and supports selected jointly by the beneficiary, clinician, and others during the person-centered planning process and identified in the individual plan of service (IPOS) must meet medical necessity criteria, be appropriate to the individual's needs, and meet the standards set forth in the Medicaid Provider Manual.
- Services selected and included in the IPOS must be determined through a Person-Centered Planning Process in accordance with state guidelines.
- Medical Necessity is a determination that a specific service is medically (clinically) appropriate, necessary to meet needs, consistent with the person's diagnosis, symptomatology and functional impairments, is the most cost-effective option in the least restrictive environment, and is consistent with clinical standards of care. Medical necessity shall be documented in the IPOS. **[APPENDIX D]**
- Services identified in the IPOS must include the amount, duration, and scope of that service to reasonably achieve the purpose.

State Plan Services

- Inpatient psychiatric services
- Psychiatric partial hospitalization
- Mental Health clinic services
- Community rehabilitation services
- Crisis residential and crisis stabilization
- Psychosocial rehabilitation program
- Substance Abuse rehabilitative services
- Targeted case management
- Personal Care in Specialized Residential settings
- Specialty services to treat, correct or ameliorate an illness

1915 (b)(3) Services

- These services are aimed at providing a wider, more flexible, and mutually negotiated set of supports and services that will enable individuals to exercise and experience greater choice and control over their individual plan of services
- Services are intended to be more individualized and cost-effective and in accordance with the beneficiary's needs and requests
- These services are outlined in detail in the Michigan Medicaid Provider Manual.

1915 (c) Services

- Covered services in this waiver include
 - Chore Service
 - Community Living Supports
 - Enhanced Dental
 - Enhanced Pharmacy
 - Enhanced Medical Equipment and Supplies
 - Environmental Modifications
 - Family Training
 - Out of home Non-Vocational Habilitation
 - Personal Emergency Response System
 - Pre-Vocational Habilitation
 - Private Duty Nursing
 - Respite Care
 - Supports coordination
 - Supported Employment

- Programs that require prior approval by MDCH before service delivery include the following:
 - Assertive Community Treatment Programs (ACT)**
 - Clubhouse Psychosocial Rehabilitation Programs**
 - Crisis Residential Programs**
 - Day Program Sites
 - Drop-In Programs**
 - Crisis Observation Care
 - Home-Based Services
 - Intensive Crisis Stabilization
 - Wraparound

***Programs for which we have approval*

- Substance Abuse covered services under Medicaid include:
 - Assessment
 - Individual Treatment
 - Individual or Group Therapy
 - Family Therapy
 - Crisis Intervention
 - Referral/Linking/Coordinating of Services
 - Peer Recovery and Recovery Support
 - Compliance Monitoring
 - Early Intervention
 - Detoxification
 - Substance Abuse treatment Services

SECTION II

SERVICE DELIVERY SYSTEM

Basic Organizational Structure

- Administrative Functions are intended to support the Service Delivery System and to meet all the legal and regulatory requirements of a Managed Care System. These functions include:
 - Executive and Managing Levels of Operations
 - Budget and Finance
 - Provider Acquisition, Requirements, Compliance
 - Policy, Risk, Quality
 - Recipient Rights, Customer Services, Fair Hearings
 - Community Outreach
 - Information Management
 - Service System Management

Access

- The Access System is available and accessible to all individuals seeking assistance or service. Access is by telephone or face-to-face. Access also includes a community outreach function.
- The basic philosophy of the organization is to provide a welcoming environment for consumers: person-centered, self-determined, and recovery-oriented.
- Basic functions include screening, determination of eligibility for the various benefit packages (e.g., Medicaid, Adult Benefit Waiver, MI Child, etc.), timely referral to the appropriate mental health or other community service, and outreach to under-served and hard-to-reach populations.
- Utilization Management is a key component of a managed care system. It requires a systematic set of processes from prescreening and prior authorization for treatment as well as ongoing, retrospective service utilization review. In FY2013 the WCHO will improve the method by which service authorizations are approved and reviewed regarding adequacy, appropriateness, duration and coverage obligations in order to manage the funding while providing “the right treatment for the right person at the right time”.

Person-Centered Planning

- The Mental Health Code establishes the right for all individuals to have their Individual Plan of Service developed through a person-centered planning process regardless of age, disability or residential setting. In this process, the individual directs the planning with a focus on what he/she wants and needs, including the identification of possible services. This interactive strategy is intended to ensure that individuals are provided with the most appropriate services necessary to achieve the desired outcomes.
- When an individual expresses a choice or preference for a support, service and/or treatment for which an appropriate alternative of lesser cost exists, and compromise fails, the individual may employ a process for dispute resolution and appeal.
- Self-determination incorporates a set of concepts and values that emphasize participation by the individual and achievement of personal control over his/her life. Person-centered planning is a central element of self determination.

Individual Plan of Services (IPOS)

- Services must be delivered according to an individual plan of service based on an assessment of immediate need. The plan must be developed within 48 hours of admission and signed by the beneficiary (if possible), the parent or guardian, the psychiatrist, and any other professionals involved in treatment planning as determined by the needs of the beneficiary. The Case Manager must be involved in the treatment as soon as possible, and must be involved in follow-up services.
- The IPOS must clearly state goals and measurable objectives derived from the assessment of immediate need and stated in terms of specific observable changes in behavior, skills, attitudes, and circumstances.
- The person-centered planning process is highly individualized and designed to respond to the expressed needs/desires of the individual.
- The process encourages strengthening and developing natural supports by inviting family and friends to participate in the planning. Developing natural supports is an equal responsibility of the CMHSP and the individual.
- The array of covered services to meet the needs and desires of the individual are addressed at the planning meeting and a copy of the plan is provided to the individual within 15 business days after the meeting.

Provider Agencies [APPENDIX B]

- To meet service obligations, the WCHO/PIHP contracts with a number of provider agencies that in total provide a full array of services.
 - Contracted services include:
 - Psychiatric Inpatient Hospitals
 - Partial Inpatient Hospitals
 - Licensed Facilities: Specialized Residential, Adult and Child Foster Care
 - Community Living Supports
 - Substance Abuse Core Providers
 - Clubhouse Psychosocial Rehabilitation Program
 - Peer-Operated Drop-In Center
- For the four-county Medicaid region, there are all-inclusive agreements with the Authorities in Lenawee, Livingston, and Monroe referred to as **Comprehensive Specialty Services Network (CSSN)** providers. An agreement with Washtenaw County is in place to provide core services through their Community Support and Treatment Services department.
 - State General Funds must cover mandated services as set forth by the MH Code (inpatient and crisis services) prior to the provision of other services. The revenue contract with the County will indicate that a reduction in State General Funds may occur should those non-CSTS services that are within this priority exceed budget levels. It is expected that CSTS will be an integral partner in assuring that these costs are managed within available funding levels. Hospital lengths of stay that exceed seven days may trigger an automatic reduction in payments to the lead Agency each month.
 - Master Contract with Washtenaw County includes the following functions:

Assessments

- Health Assessments are provided by a registered nurse, nurse practitioner, or dietitian to determine the individual's need for medical services and to recommend a course of treatment within the scope of practice of the nurse or dietitian.
- Psychiatric Evaluations are comprehensive, face-to-face evaluations provided by a psychiatrist that includes current clinical status, historical psychiatric, physical, and medication information, relevant personal and family history, personal strengths and assets, and a mental status examination.
- Psychological testing includes standardized tests and measures rendered by full, limited-licensed, or temporary-limited-licensed psychologists.
- Another Assessment used is the Child and Adolescent Functional Assessment Scale (CAFAS)

Case Management/Supports Coordination

- This covered service is to assist beneficiaries in designing and implementing strategies for obtaining the services and supports that are goal-oriented and individualized. To assist in gaining access to needed health and dental services, financial assistance, housing, employment, education, social services, and other services and natural supports, the responsibilities of the case manager include
 - Assessment
 - Planning
 - Linkage
 - Advocacy
 - Coordinating and monitoring
- The case manager must review services at intervals defined in the IPOS and update the IPOS as needed.
- The case manager must determine, on an ongoing basis, if the services and supports have been delivered and if they are adequate to meet the needs/wants of the beneficiary.
- Monitoring (frequency and scope of case management service) must reflect the intensity of the beneficiary's health and welfare needs identified in the IPOS.

Assertive Community Treatment Program (ACT)

- ACT is a set of intensive clinical, medical and psychosocial services provided by a mobile multi-disciplinary treatment team.
- ACT provides basic services and supports essential to maintaining the beneficiary's ability to function in community settings, including assistance with accessing basic needs through available community resources, such as food, housing, medical care and supports to allow beneficiaries to function in social, educational, and vocational settings.
- Services are based on the principles of recovery and person-centered practice and are individually tailored to meet the needs of the individual.

Individual/Group Therapy

- Treatment activity designed to reduce maladaptive behaviors, maximize behavioral self-control, or restore normalized psychological functions, reality orientation, remotivation, and emotional adjustment.
- Expected treatment outcome is improved functioning and more appropriate interpersonal and social relationships.

Medication Review/Administration

- Medication administration is the process of giving a physician-prescribed oral medication, injection, intravenous or topical medication treatment to an individual.
- Medication review is the evaluation and monitoring of medications, their effects, and the need to continue or change the medication regimen.

Home-based Services

- Mental health home-based services are designed to provide intensive services to children (birth through age 17) and their families with multiple service needs who require access to an array of mental health services.
- Primary goal of this program is to promote normal development, promotion health family functions, support and preserve families, reunite families who have been separated, and reduce the use of, or shorten the length of stay in, psychiatric hospitals.

Substance Abuse Core Providers

- o The WCHO launched a full systems transformation to Recovery-Oriented System of Care (ROSC) in FY 2011. There are four core providers responsible for the entire continuum of care. Outpatient services are managed through Home of New Vision (HNV), Dawn Farm (DF), Livingston County CMH, and Lenawee County CMH. Other panel providers are available for consumer choice/clinical need and continued services for individuals already in treatment at the start of the fiscal year. Opiate replacement therapy (methadone) services are available in the region with initial assessments of medical necessity are conducted by the core providers. There is close coordination of cases between the core providers and external providers when clients are referred.
- o Core providers were required to provide or arrange for services across the continuum of care which is handled somewhat differently by each core provider. All persons seeking treatment are seen by the assigned core provider, screened and oriented in either a face to face appointment, action group, or through a telephonic screening. Each preliminary intervention is designed to screen individuals for service need, followed by referral to appropriate services. This new approach means not everyone attends an outpatient or higher level of care, as they may be better served in a less restrictive setting (i.e. Peer Supports or Case Management). Outpatient services are available to any individual involved in ROSC with all core providers. Currently, outpatient services are available on demand, with no waitlist. This is a significant change from prior years where we would have large waitlists and run out of funds before the end of the year. Each provider has

engagement recovery support groups multiple days of the week. Peers are involved in coaching and mentoring, case management and supports activities at each core provider.

- Our implementation year has been one of design, creative partnerships and close collaboration between providers, staff and community members. Data bugs have been fixed and we have a steady flow of information that is being analyzed. This change represents a shift in the culture of substance abuse services across many levels. We believe the transition has been relatively smooth with swift action to address any issues that may have arisen. Attachment F reflects service distribution and funding proportions between core providers, as well as other services.**[APPENDIX F]**
- The total number of unduplicated individuals served for Washtenaw and Livingston is 9,455 with service encounters totally 13,371:

▪ Dawn Farm	320 served	5,553 encounters
▪ Home of New Vision	430 served	3,902 encounters
▪ Livingston	320 served	3,916 encounters

INTEGRATED HEALTH INITIATIVES

- The WCHO's Integrated Health efforts are designed to improve the physical health of the individuals we serve through the creation of person centered health homes. Over the last seven years the WCHO has developed partnerships with four primary clinics serving a high volume of at risk populations in our community (Packard Health Clinic, Hope Clinic, Neighborhood Health Clinic, and Ypsilanti Health Clinic).
- WCHO's on site behavioral health staff provide expertise and consultation to primary care providers in order to achieve integrated care at the individual level. On site behavioral health staff are also able to identify individuals who are in need of a higher level of behavioral health service and seamlessly move them into the mental health system services.
- Nurse Care Coordinators are assigned to Packard Health and Ypsilanti Health Clinics, which serve a high number of WCHO consumers, to provide intensive care coordination for individuals obtaining care from both systems.
- The WCHO also provides onsite primary care at the mental health center through a Family Nurse Practitioner who works closely with the Disease Management Team. The team consists of Nurse Care Coordinators, Peer Support Specialists, and a Health Educator. The Disease Management Team uses a comprehensive coordinated approach with both medical and behavioral health professionals. Individual self-management/ health promotion interventions are provided on group and individual basis.

SECTION III

BUDGET DEVELOPMENT

Revenue Assumptions

- Medicaid is budgeted at the current FY12 level. The trend line for Medicaid eligibles has been on a downward trajectory this fiscal year. Numbers served are relatively constant averaging 4,400 for all four counties combined.
- The State General Fund contract is budgeted at the current FY12 level. The cost for State inpatient continues to rise and as such a larger percent of the general fund authorization is earmarked for this purpose. If the full amount of the State inpatient authorized budget is not needed the remainder may be used for other State General Fund allowed services to the priority population.
- The Adult Benefit Waiver (ABW) funding is paid to the WCHO as the PIHP for the four-county region. The State has closed enrollment to the ABW program for a couple of years. As a result, the trend line for ABW enrollees has been in a steady decline as currently enrolled individuals lose eligibility.
 - ABW revenue was calculated based on the most recent available month's enrollment data.
 - ABW is passed through to Lenawee, Livingston, Monroe and the Southeast Michigan Coordinating Agency (SEMCA) less a 2% administration fee.
 - Unspent ABW from FY12 is being projected at \$436,000 and drawn down in FY13 as local funds to further offset the shortfall in General Funds.
- County Appropriation to the WCHO remains at the same level it has been for over 25 years, \$1,128,080.
- We continue to bill the Affiliates to reimburse for costs related to the Office of Recipient Rights, Encompass (electronic clinical record) and the finance system (Lenawee only).

Expense Assumptions

- The County provides staffing projections of all county-approved positions. The projection provided is at 95%--full cost assuming positions are filled for the entire period. The budget has been developed assuming a significant turnover rate. In the past, such further reductions have been met by delaying the posting and hiring of any position once vacated. It will be up to the WCHO management to maintain staffing within budgeted amounts. The WCHO staffing budget is for 84.64 FTEs plus 6.5 FTEs for Substance Abuse.
- The Medicaid allocations to the Affiliates will be based on the new model developed by the WCHO with the help of an actuarial firm. Due to the expected surpluses of Medicaid, surplus payments are expected to be made to bring the funding level for each affiliate up to the FY12 level:

	Risk Model	Hab Support		Total
		Waiver	Stabilization	
Washtenaw	\$ 24,100,018	\$ 21,699,192	\$ 9,475,582	\$ 55,274,792
Monroe	9,165,693	6,735,222	6,026,125	21,927,040
Livingston	9,370,376	6,122,130	1,162,168	16,654,674
Lenawee	7,663,279	5,122,411	320,000	13,105,690

- The Medicaid Substance Abuse and Adult Benefit Waiver (ABW) allocations to the Coordinating Agencies are budgeted at \$1,817,088 and \$215,247, respectively.
- State General Fund services are expected to continue to be in higher demand than funding will support. To balance costs in General Fund (GF) services, the following assumptions were made:
 - Progress is being made to reintegrate consumers into the community and out of State Facilities. The first consumer is expected to transition back into the community by September 30, 2012. As such, General Fund Inpatient costs are budgeted for 11 consumers in State Facilities, down from 12 in FY12. Community Hospital utilization for GF consumers was budgeted at the projected FY12 level.
 - Adjustments to reduce GF costs were made to the allocation to Washtenaw County/CSTS. Prior budgets have allocated funding based on the expected costs of CSTS programs. The FY13 model sets expectations for the volume and cost of services to be received by Washtenaw County/CSTS.
 - GF Funding allocated to CSTS will be reduced if other areas of the budget do not meet available funding levels. In accordance with the Mental Health Code, we are required/mandated to provide inpatient and crisis services. Therefore, utilization of those services must be funded prior to any other service.
- The spread of WCHO costs to funding sources is based on nine months of this fiscal year by the services provided through the external provider network. Claims submitted by external providers indicate a reduction in GF costs with a concurrent shift to Medicaid.

Lead Agency Funding

- The Washtenaw County CSTS budget has been developed in order to calculate the allocations of the various funding sources and to include those amounts in the Revenue Contract between the WCHO and the County for services to be provided by CSTS.
- The total revenue contract allocation for FY13 is \$24,935,147 broken down as follows:

▪	Medicaid—State	\$	9,199,592
▪	Medicaid b(3)		2,782,860
▪	Medicaid HSW		8,533,593
▪	State General Funds		3,914,824
▪	Adult Benefit Waiver		255,879
▪	Children’s Waiver		163,784
▪	MI Child		84,616

Washtenaw County CSTS supplements the funding received from WCHO through grants, earned contracts, charges for services, donations, and transfers from the Washtenaw County General Fund.

BUDGET

Total Agency Budget [ATTACHMENT A]

- The FY13 budget is comprised of four separate funds:
 - Mental Health (WCHO/PIHP),
 - Substance Abuse (LLW/CA),
 - Specialty Services Fund,
 - Internal Services Fund (balance sheet only for FY2013)
- The Specialty Services Fund is separate even though any planned use of the funds will be for the benefit of mental health consumers.
- The Total Agency Budget for the WCHO is \$147,044,034. This total is comprised of:
 - WCHO/PIHP \$ 140,124,599 (CSTS revenue contract included)
 - Substance Abuse 6,919,436

Budgeted Services [ATTACHMENT B and C]

- Total budgeted services include 7,319,823 encounters for a total cost of \$51,972,836. These services are broken down as follows:
 - By provider category (Attachment B)
 - Washtenaw County CSTS - 1,289,618 units for a cost of \$24,925,307
 - State Facilities - 6,360 units for a cost of \$1,406,818
 - Community provider network - 6,023,845 units for a cost of \$25,640,711
 - By funding source (Attachment C)
 - Medicaid – 6,707,501 units for a cost of \$43,162,869
 - State general fund – 419,478 units for a cost of \$7,449,149
 - Other funding source – 192,845 units for a cost of \$1,360,818

Budgeted Salaries and Fringes [ATTACHMENT D]

- The total annual budget includes 91.14 Full Time Equivalent (FTE) positions. Salaries and fringes budgeted for these positions \$7,862,726. These positions are broken down between Mental Health and Substance abuse as follows:

	<u>Full Time</u> <u>Equivalents</u>	<u>Salaries</u>	<u>Fringes</u>	<u>Total</u>
Mental Health	84.64	4,502,396	2,882,328	7,384,724
Substance Abuse	6.50	299,600	178,402	478,002
Total	91.14	4,801,996	3,060,730	7,862,726

Mental Health Budget

- The total annual mental health budget [**CHARTS A and C**] for the PIHP is \$140,124,599. This amount includes
 - Medicaid and Adult Benefit Waiver funds that are paid to the Affiliates
 - The total amount of Substance Abuse Medicaid Funding that is paid to both Coordinating Agencies: Lenawee/Livingston/Washtenaw, and SEMCA.

- Non-Medicaid Mental Health revenue [**CHART B**] totals \$15,934,778, representing 11% of total revenues, derived from the following sources:

▪ State General Funds	\$8,243,587	6%
▪ Grants and Earned Contracts	3,983,840	3%
▪ Adult Benefit Waiver (four counties)	1,535,247	1%
▪ Local & Miscellaneous	1,357,104	<1%
▪ Child Waiver Fee-for-Service	815,000	<1%

- Total for administrative functions, including Tax Costs and Hospital Rate Adjuster (HRA) Costs, is \$25,650,814 [**CHART D**].
 - Eliminating the Tax, HRA and the administrative costs that are reimbursed by the Affiliates, the total administration is \$19,764,710 or 14.11% of total expenses.

Substance Abuse Coordinating Agency Budget

- The Total budget for the Lenawee/Livingston/Washtenaw Coordinating Agency is \$6,919,436
- Funding [CHART E and G] is comprised of the following funding sources:

▪ State Block Grant	\$2,959,374	43%
▪ Local Revenue (mainly PA2)	1,965,604	28%
▪ Medicaid	1,327,278	19%
▪ Adult Benefit Waiver	245,277	4%
▪ Federal Grants	421,903	6%
- The Substance Abuse State block Grant [CHART F] provides \$2,959,374 for:

▪ Treatment	\$ 1,875,561
▪ Prevention	584,938
▪ General Administration	288,233
▪ Access Management System	155,683
▪ Women’s Specialty Services	48,597
▪ MI Child enrollees	6,362
- Major areas of expense include Treatment and programs funded by PA2 revenue
 - Treatment total is \$3,371,061[CHART H]
 - State Agreement \$ 1,875,561
 - Medicaid 1,254,269
 - Adult Benefit Waiver 234,869
 - MIChild 6,362
 - PA2-Funded Programs is \$1,950,363[CHART I]
 - Treatment \$ 1,331,949
 - Prevention 613,414
 - Pharmacy 5,000

Specialty Services Fund

- A separate fund has been established with funding received as a result of a bequest from Mary Jane Haarer.
- Funds will be used as matching funds to draw down increased federal financial funding identified as opportunities for the improvement of services for our target populations, to establish health homes for Medicaid beneficiaries, provide health home services not otherwise covered by funds currently being received from the State, and to participate in the University of Michigan's Medicaid Match program for the benefit of our target populations.
- The majority of expected installments have been received. The amount of any additional amounts to be received is expected to be minimal and cannot be readily estimated; as such, an amount has not been included in the budget. Interest revenue of \$7,000 is estimated on the cash balance to be held for fiscal year 2012.

SECTION IV

**BUDGET SUMMARY BY BUSINESS UNIT AND FUND
FISCAL YEAR OCTOBER 1, 2012 - SEPTEMBER 30, 2013**

ATTACHMENT A

BU	Business Unit	Mental Health		Substance Abuse		Specialty Services	ISF Risk Reserve
		Revenue	Expense	Revenue	Expense	Revenue	Revenue
100	Administration	-	1,155,846	(409,656)	409,656	-	-
101	Funding Account	(134,235,519)	15,982,861	-	-	(7,000)	(35,000)
105	Compliance	-	180,177	-	-	-	-
110	Finance	(25,917)	2,316,488	-	-	-	-
120	Information Management	(376,248)	2,211,130	-	-	-	-
125	Intake/Enrollment	-	731,253	(82,414)	82,414	-	-
135	Customer Services	(18,500)	386,887	-	-	-	-
140	Network Management	-	1,750	-	-	-	-
145	Quality/Performance Improvement	-	129,940	-	-	-	-
150	Recipient Rights	(667,809)	1,137,815	-	-	-	-
155	Utilization Review	-	98,975	(99,101)	99,101	-	-
160	Program/Admin Support	-	110,661	-	-	-	-
200	Access/Assessments	-	347,899	-	-	-	-
210	Affiliates	(887,832)	53,056,516	-	-	-	-
211	Washtenaw County/CSTS	-	24,935,147	-	-	-	-
240	Community Inpatient	-	4,389,820	-	-	-	-
245	Community Living Supports	(13,704)	14,592,345	-	-	-	-
250	Crisis Stabilization	-	1,416,237	-	-	-	-
260	Homeless Services	-	80,000	-	-	-	-
275	Licensed Facilities	-	7,862,500	-	-	-	-
280	Medication Clinics	-	2,279	-	-	-	-
285	Nursing	-	2,205	-	-	-	-
295	Outpatient	-	99,654	-	-	-	-
300	Drop-in Center	-	326,751	-	-	-	-
301	Peer Support Services	-	90,583	-	-	-	-
310	Prevention	-	-	(584,938)	584,938	-	-
315	PERS	-	142,595	-	-	-	-
320	Psychosocial Rehab	-	437,183	-	-	-	-
325	Psychiatric Services	-	1,000	-	-	-	-
330	Respite	-	646,033	-	-	-	-
335	Skill Building	-	855,053	-	-	-	-
340	Specialty Services	-	31,669	-	-	-	-
345	State Facilities	-	1,406,818	-	-	-	-
350	Coordinating Agencies	(2,032,335)	2,032,335	-	-	-	-
352	Local Initiatives	-	-	(1,950,363)	1,950,363	-	-
355	Supported Employment	-	233,326	-	-	-	-
360	Supports Coordination	-	4,534	-	-	-	-
365	Targeted Case Management	-	24,834	-	-	-	-
370	Treatment	-	-	(3,371,061)	3,371,061	-	-
600	Integrated Health	-	600,000	-	-	-	-
900	Block Grants	-	98,876	(413,656)	413,656	-	-
905	State Grants	(212,365)	212,365	-	-	-	-
910	Federal Grants	(630,300)	728,190	(8,247)	8,247	-	-
915	Private Grants	(169,934)	169,934	-	-	-	-
920	Earned Contracts	(854,136)	854,136	-	-	-	-
		(140,124,599)	140,124,599	(6,919,436)	6,919,436	(7,000)	(35,000)

**SUMMARY OF BUDGETED FTES BY BUSINESS UNIT
FISCAL YEAR OCTOBER 1, 2012 - SEPTEMBER 30, 2013**

ATTACHMENT D

BUSINESS UNIT (BU)	Full Time Equivelents	Salary	Fringes	Total
MENTAL HEALTH				
1010001 Administration	5.95	512,022.30	282,835.35	794,857.65
1010501 Compliance	1.00	95,970.00	51,398.93	147,368.93
1011001 Finance	23.00	1,103,880.00	751,038.64	1,854,918.64
1012001 Information Management	8.78	588,165.30	354,378.54	942,543.84
1012501 Intake/Enrollment	9.00	433,605.00	290,489.86	724,094.86
1013501 Customer Services	2.98	185,932.20	119,930.99	305,863.19
1014501 Quality Performance	1.00	73,048.00	42,291.90	115,339.90
1015001 Recipient Rights	12.00	657,332.00	423,382.61	1,080,714.61
1015501 Utilization Review	1.00	57,220.00	35,907.32	93,127.32
1020006 Access Assessments	3.28	200,412.30	119,021.62	319,433.92
1025006 Crisis Stabilization	18.14	799,756.82	540,728.48	1,340,485.30
1030106 Peer Support Services	2.50	40,803.00	48,459.55	89,262.55
1090001 Block Grants	1.00	58,855.00	40,021.40	98,876.40
1091020 Federal Grants - PBHCI	0.33	27,488.10	15,337.99	42,826.09
1091021 Federal Grants - Med Match 1	0.05	4,372.70	2,405.08	6,777.79
1091022 Federal Grants - Med Match 10	0.56	46,649.30	25,931.01	72,580.31
1091521 Private Grants - Flinn 200	0.07	5,793.15	3,227.02	9,020.17
TOTAL MENTAL HEALTH	84.64	4,502,396.17	2,882,328.16	7,384,724.33
SUBSTANCE ABUSE				
1110001 Administration	5.40	227,593.60	135,222.17	362,815.77
1115501 Utilization Review	1.00	61,157.00	37,535.75	98,692.75
1190020 Block Grants - SBIRT	0.05	5,424.70	2,821.95	8,246.65
1191022 Federal Grants - Med Match 10	0.05	5,424.70	2,821.95	8,246.65
TOTAL SUBSTANCE ABUSE	6.50	299,600.00	178,401.82	478,001.82
TOTAL WCHO STAFFING	91.14	4,801,996.17	3,060,729.98	7,862,726.15

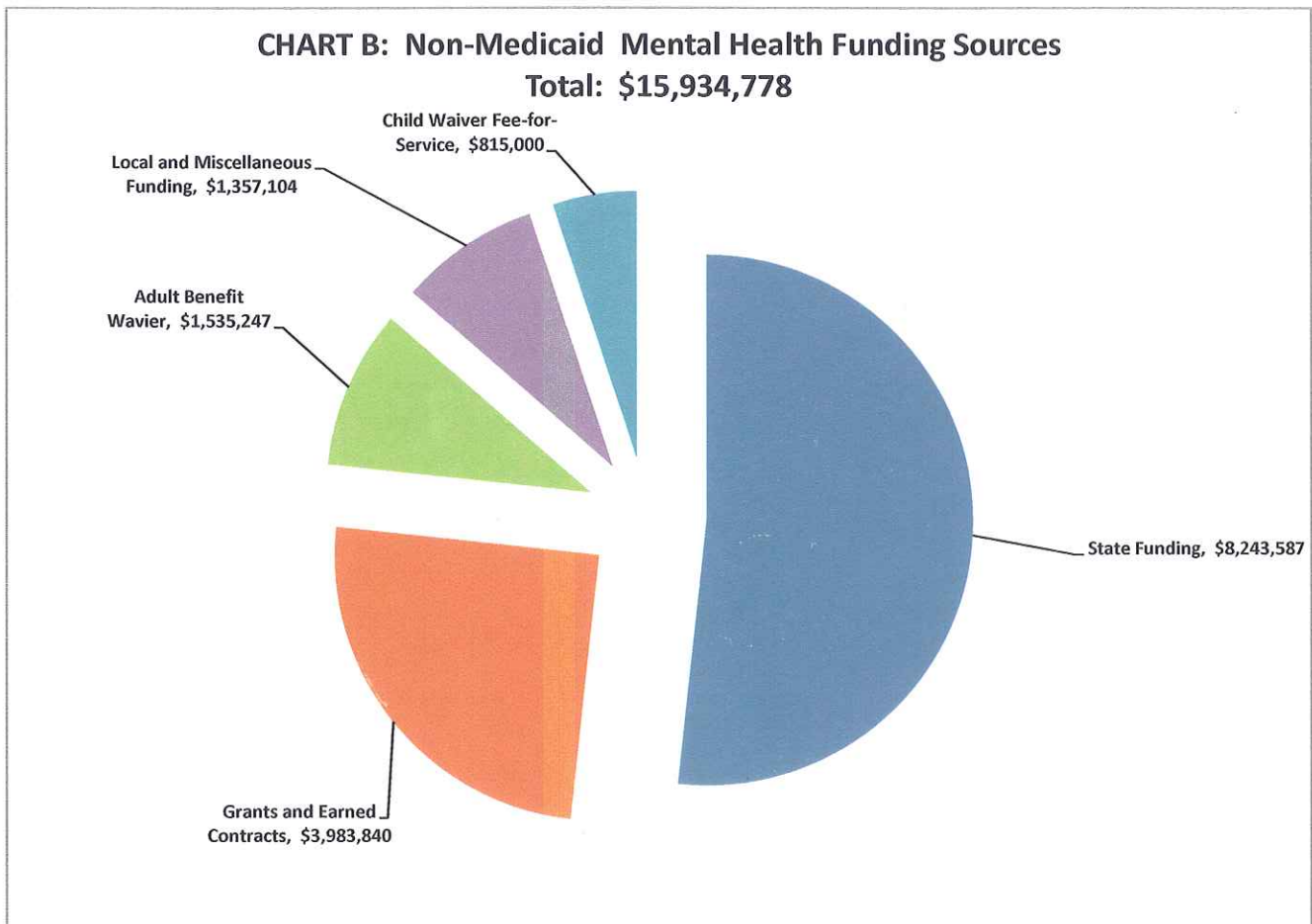
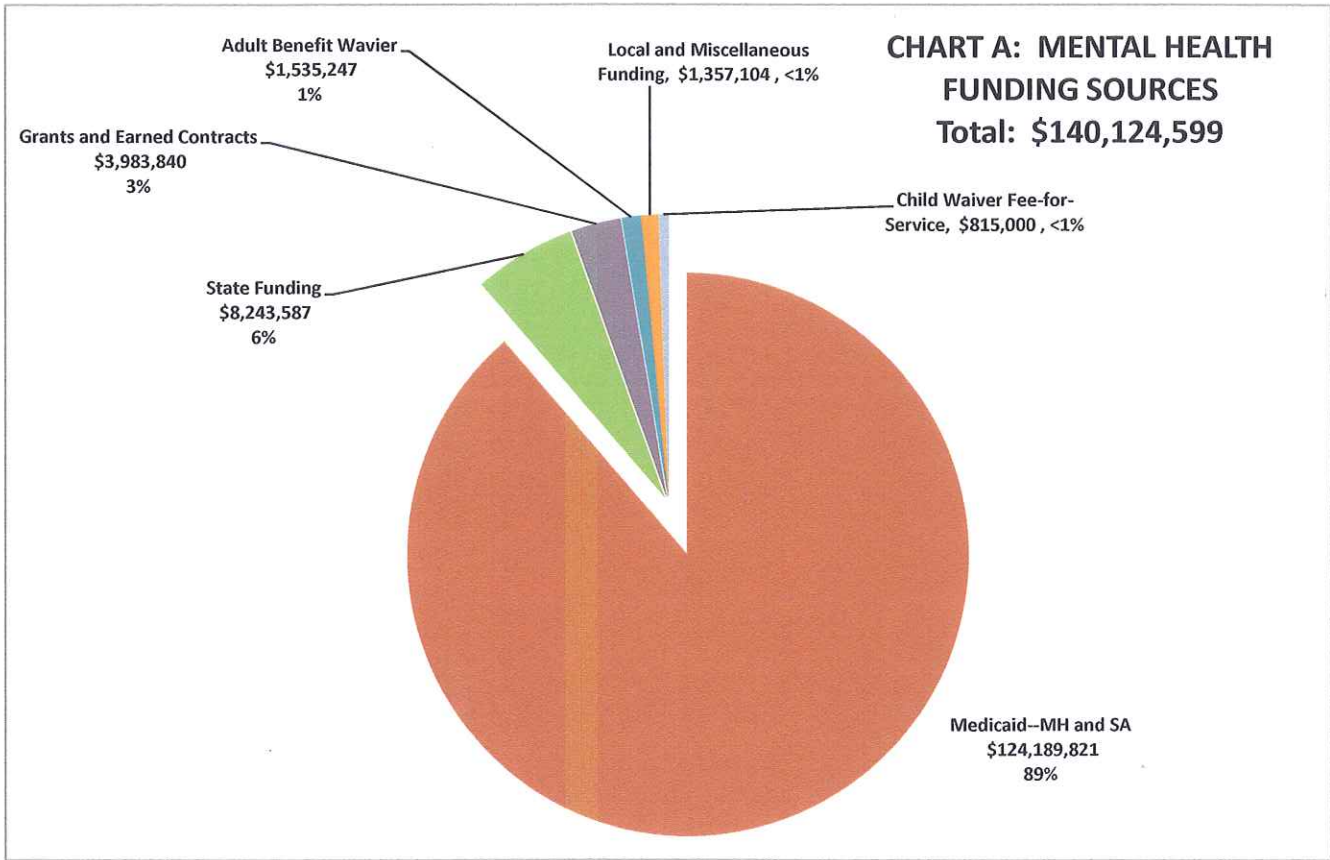


CHART C: MENTAL HEALTH EXPENSES:

Total: \$140,124,599

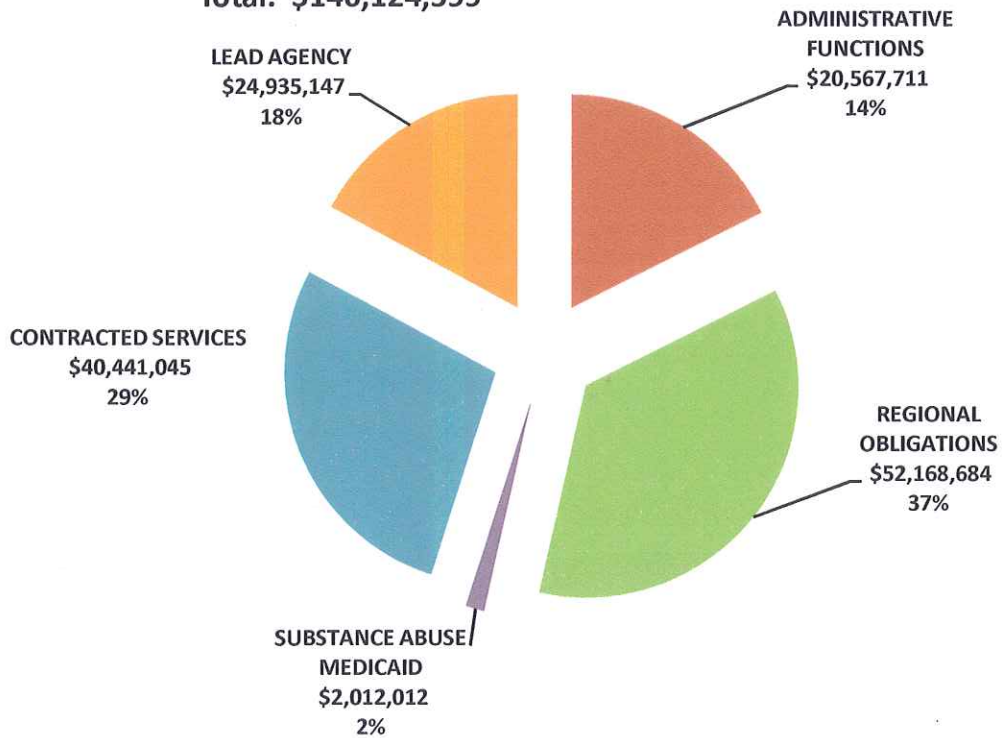
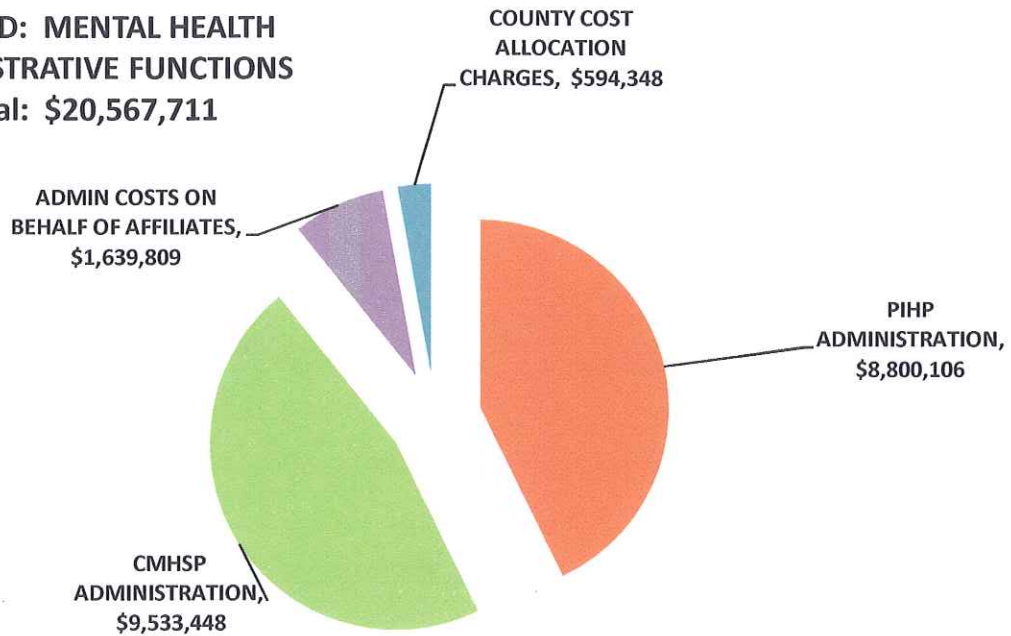


CHART D: MENTAL HEALTH ADMINISTRATIVE FUNCTIONS

Total: \$20,567,711



Note: Admin Costs on Behalf of Affiliates are reimbursed by the affiliates and do not represent WCHO administration.

WCHO Administration Total: \$19,764,710 14.11% of total budget

CHART E: SUBSTANCE ABUSE FUNDING SOURCES
Total: \$6,919,436

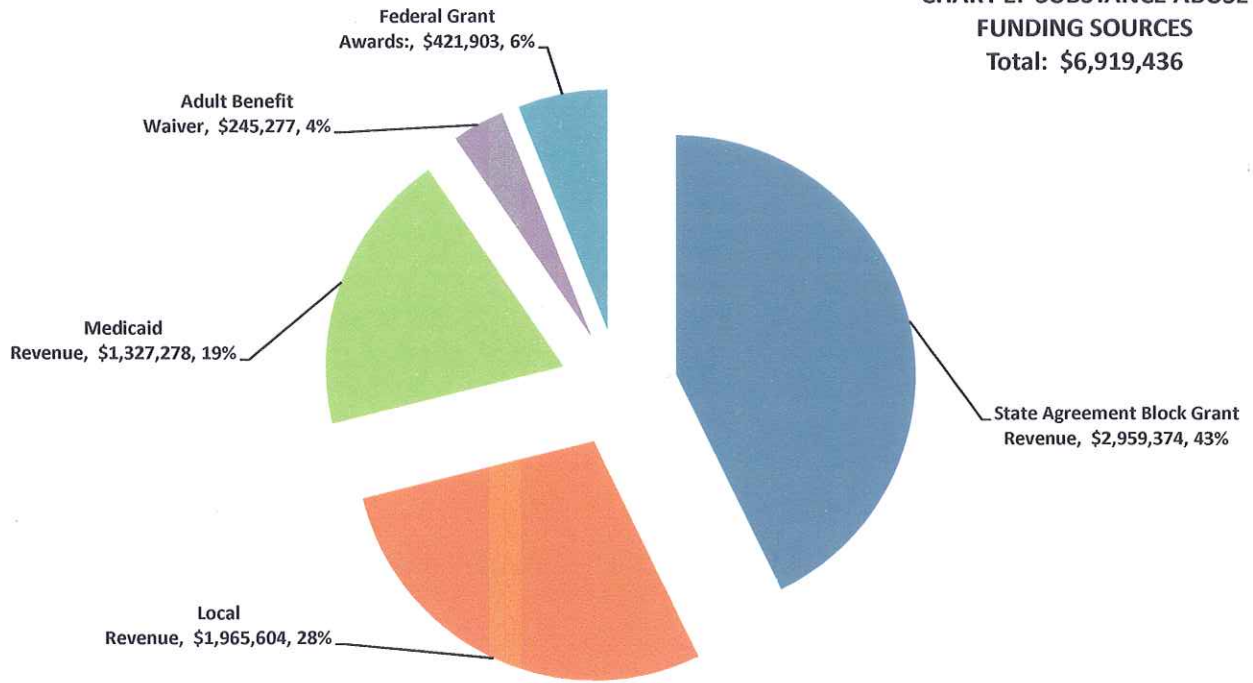


CHART F: Substance Abuse State Block Grant Detail
Total: \$2,959,374

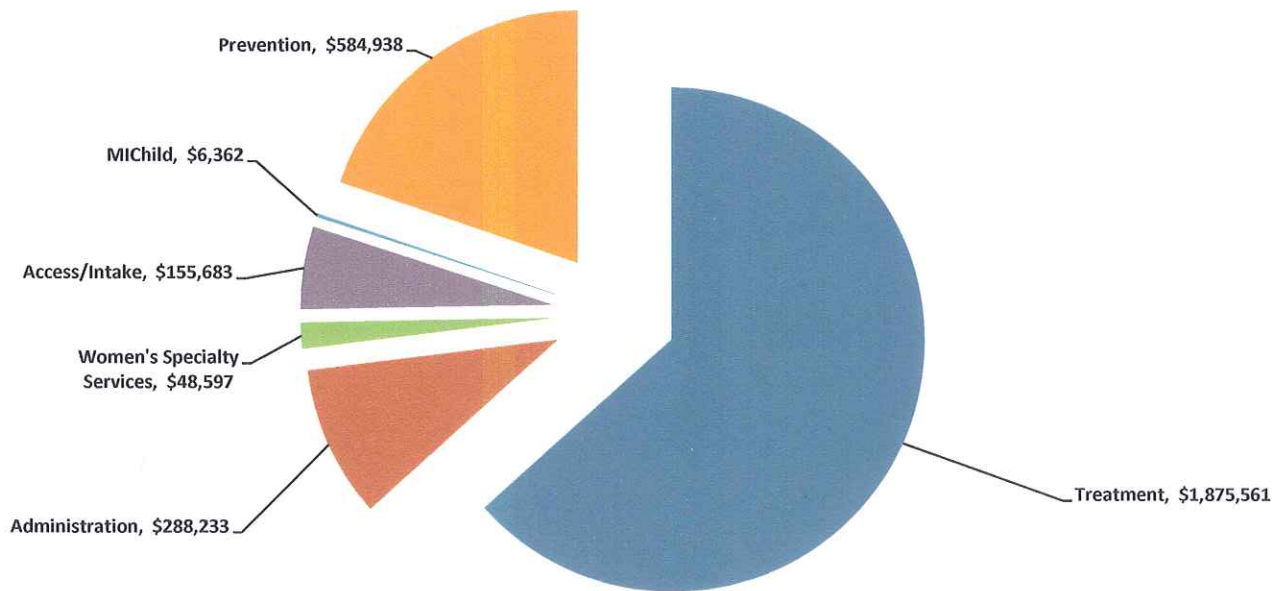
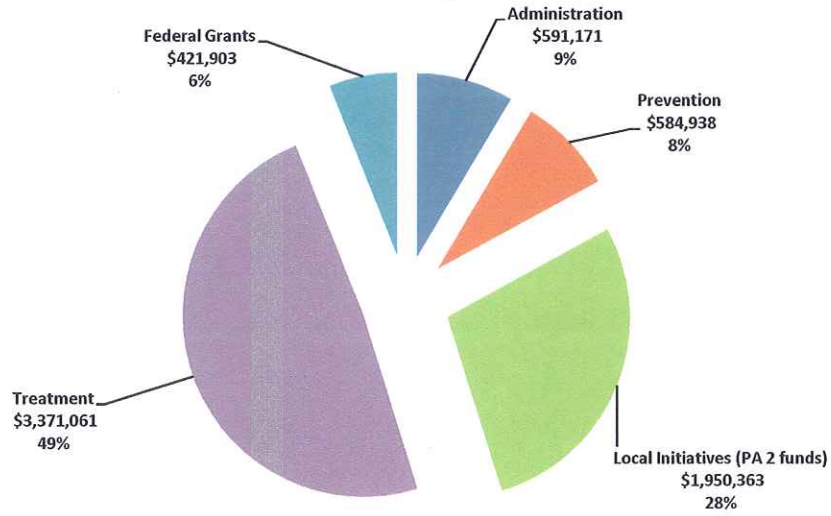
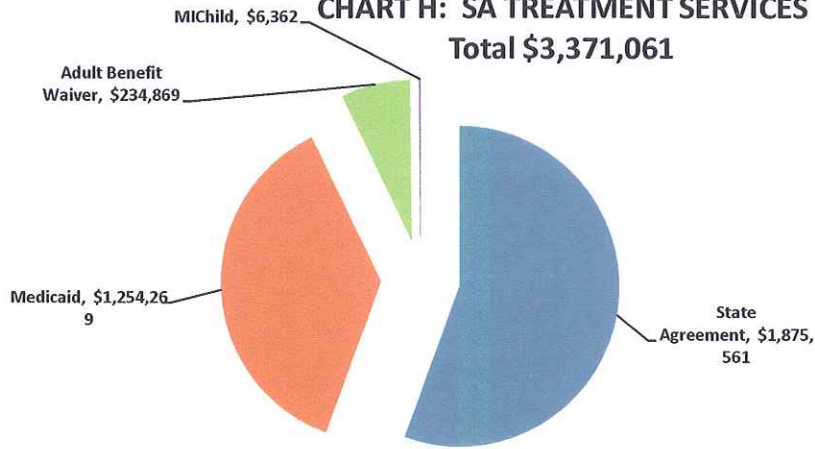


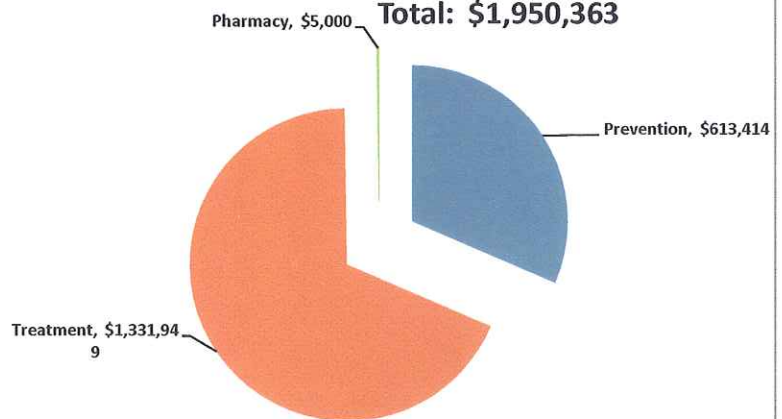
CHART G: Substance Abuse Expenses--Fiscal Year 2012



**CHART H: SA TREATMENT SERVICES
Total \$3,371,061**



**CHART I: PA2 Funded Services
Total: \$1,950,363**



SECTION V

WCHO MENTAL HEALTH CONTRACTS
FISCAL YEAR OCTOBER 1, 2012 - SEPTEMBER 30, 2013

Appendix A

Main F/B/T	Object	Annual Funding	Provider	Term Start	Term End
WCHO Administration					
1010001	71050	\$ 75,000.00	Bill Harrison	10/1/2012	9/30/2013
1010001	71050	\$ 75,000.00	Milliman	10/1/2012	9/30/2013
1010001	71145	\$ 75,000.00	Pear Sperling Eggan & Daniels, P.C.	10/1/2012	9/30/2013
1010001	71050	Per Budget	Rehmann Robson	10/1/2012	9/30/2013
Multiple	71050	\$ 30,360.00	Human Resource Opportunities (Administrative/Inspections)	10/1/2012	9/30/2013
Multiple	71050	\$ 199,000.00	Washtenaw Community College	10/1/2012	9/30/2013
WCHO Finance Administration					
1011001	71050	\$ 51,300.00	DHS	10/1/2012	9/30/2013
1011001	71050	\$ 1,200.00	Netwerkes LLC	10/1/2012	9/30/2013
1011001	71050	\$ 40,000.00	New Auditor-Pending RFP	10/1/2012	9/30/2013
1011001	71050	\$ 50,000.00	Maner Costerisan	10/1/2012	9/30/2013
1011001	71050	Per Budget	Rehmann Robson	10/1/2012	9/30/2013
WCHO IM Administration					
1012001	71050	\$ 698,008.00	PCE Systems	10/1/2012	9/30/2013
WCHO Network Management					
1014001	71050	\$ 87,750.00	Janet Barbour	10/1/2012	9/30/2013
WCHO Program Administration					
1016001	71050	\$ 41,000.00	NAMI(National Alliance on Mental Illness)	10/1/2012	9/30/2013
1016001	71050	\$ 55,608.00	Michigan Dept of Career Development-MI Rehabilitation Services(MH)	10/1/2012	9/30/2013
Affiliation Agreements					
Mental Health Medicaid					
1021006		Per Budget	Lenawee CMH Authority CSSN	10/1/2012	9/30/2013
1021006	71050	Per Budget	Lenawee CMH Authority (Provider)	10/1/2012	9/30/2013
1021006		Per Budget	Livingston County CMH Authority CSSN	10/1/2012	9/30/2013
1021006	71050	Per Budget	Livingston County CMH (Provider)	10/1/2012	9/30/2013
1021006		Per Budget	Monroe Community Mental Health Authority CSSN	10/1/2012	9/30/2013
1021006	71050	Per Budget	Monroe Community Mental Health Authority (Provider)	10/1/2012	9/30/2013
Adult Benefit Waiver (MH)					
1021006	Varies	Per Budget	Lenawee CMH Authority	10/1/2012	9/30/2013
1021006	Varies	Per Budget	Livingston County CMH Authority	10/1/2012	9/30/2013
1021006	Varies	Per Budget	Monroe Community Mental Health Authority	10/1/2012	9/30/2013
Substance Abuse Medicaid Coordinating Agency					
1035006	81001	Per Budget	Washtenaw/Livingston/Lenawee CA	10/1/2012	9/30/2013
1035006	81001	Per Budget	SEMCA	10/1/2012	9/30/2013
Adult Benefit Waiver (SA)					
1035006	85005	Per Budget	Washtenaw/Livingston/Lenawee CA	10/1/2012	9/30/2013
1035006	85005	Per Budget	SEMCA	10/1/2012	9/30/2013

WCHO MENTAL HEALTH CONTRACTS
FISCAL YEAR OCTOBER 1, 2012 - SEPTEMBER 30, 2013

Appendix A

Main F/B/T	Object	Annual Funding	Provider	Term Start	Term End
Hospitals					
1024006	Varies	Per Auths	Harbor Oaks	10/1/2012	9/30/2014
1024006	Varies	Per Auths	Havenwyck Hospital	10/1/2012	9/30/2014
1024006	Varies	Per Auths	Henry Ford Kingswood Hospital	10/1/2012	9/30/2014
1024006	Varies	Per Auths	Herrick Medical Center	10/1/2012	9/30/2014
1024006	Varies	Per Auths	Mercy Memorial Hospital	10/1/2012	9/30/2014
1024006	Varies	Per Auths	Trinity Health Michigan-DBA Chelsea Community Hospital	10/1/2012	9/30/2014
1024006	Varies	Per Auths	Trinity Health Michigan-DBA St. Joseph Mercy Health System	10/1/2012	9/30/2014
1024006	Varies	Per Auths	Trinity Health Michigan-DBA St. Mary Mercy Livonia	10/1/2012	9/30/2014
CLS Providers					
1024506	Varies	Per Auths	Adult Learning Systems- Master	10/1/2012	9/30/2014
1024506	Varies	Per Auths	Catholic Social Services of Washtenaw Co	10/1/2012	9/30/2014
1024506	Varies	Per Auths	Catholic Social Services of Washtenaw Co (ICW)	10/1/2012	9/30/2014
1024506	Varies	Per Auths	CHS Group LLC.	10/1/2012	9/30/2014
1024506	Varies	Per Auths	Community Residence Corp.	10/1/2012	9/30/2014
1024506	Varies	Per Auths	Consumer Services, Inc.	10/1/2012	9/30/2014
1024506	Varies	Per Auths	His Eye is on the Sparrow	10/1/2012	9/30/2014
1024506	Varies	Per Auths	JOAK American Homes	10/1/2012	9/30/2014
1024506	Varies	Per Auths	Macomb Residential Opportunities - Master	10/1/2012	9/30/2014
1024506	Varies	Per Auths	Michigan Center for Positive Living Supports	10/1/2012	9/30/2014
1024506	Varies	Per Auths	MicHoldings, Inc.	10/1/2012	9/30/2014
1024506	Varies	Per Auths	National Deaf Academy LLC	10/1/2012	9/30/2014
1024506	Varies	Per Auths	Partners In Personal Assistance	10/1/2012	9/30/2014
1024506	Varies	Per Auths	Progressive Residential Services, Inc.	10/1/2012	9/30/2014
1024506	Varies	Per Auths	Real Life Living Services, Inc.	10/1/2012	9/30/2014
1024506	Varies	Per Auths	Renaissance Community Homes Inc	10/1/2012	9/30/2014
1024506	Varies	Per Auths	Saints Inc.	10/1/2012	9/30/2014
1024506	Varies	Per Auths	Spectrum Community Services	10/1/2012	9/30/2014
1024506	Varies	Per Auths	Synod Residential Services	10/1/2012	9/30/2014
Homeless Services					
1026006	71050	\$ 80,000.00	Shelter Assoc. of Washtenaw County	10/1/2012	9/30/2014

WCHO MENTAL HEALTH CONTRACTS
FISCAL YEAR OCTOBER 1, 2012 - SEPTEMBER 30, 2013

Appendix A

Main F/B/T	Object	Annual Funding	Provider	Term Start	Term End
Licensed Residential Providers					
1027506	Varies	Per Auths	Adult Learning Systems- Cherrywood	10/1/2012	9/30/2014
1027506	Varies	Per Auths	Adult Learning Systems-Seybold	10/1/2012	9/30/2014
1027506	Varies	Per Auths	Beacon Specialized Living Services- Medallion Village	10/1/2012	9/30/2014
1027506	Varies	Per Auths	Communication Access Center for the Deaf and HH	10/1/2012	9/30/2014
1027506	Varies	Per Auths	Community Residence Corp. (Michael's House)	10/1/2012	9/30/2014
1027506	Varies	Per Auths	Courtyard Manor of Wixom Inc.	10/1/2012	9/30/2014
1027506	Varies	Per Auths	Henlyn Care, Inc. (Clair House)	10/1/2012	9/30/2014
1027506	Varies	Per Auths	Hope Network Behavioral Health (HNBHS)	10/1/2012	9/30/2014
1027506	Varies	Per Auths	Hope Network West (Kinney)	10/1/2012	9/30/2014
1027506	71050	Per Budget	Human Resource Opportunities (Maintenance and Repair Costs)		
1027506	Varies	Per Auths	JOAK American Homes (Island Lake)	10/1/2012	9/30/2014
1027506	Varies	Per Auths	Lussier Home	10/1/2012	9/30/2014
1027506	Varies	Per Auths	Macomb Residential Opportunities (Country Lane)	10/1/2012	9/30/2014
1027506	Varies	Per Auths	National Deaf Academy LLC	10/1/2012	9/30/2014
1027506	Varies	Per Auths	Progressive Residential Services, Inc. (Judd)	10/1/2012	9/30/2014
1027506	Varies	Per Auths	Quest Inc. (Glengarry)	10/1/2012	9/30/2014
1027506	Varies	Per Auths	Quest Inc. (Pontiac Trail)	10/1/2012	9/30/2014
1027506	Varies	Per Auths	Renaissance Community Homes (Clark)	10/1/2012	9/30/2014
1027506	Varies	Per Auths	Renaissance Community Homes (N.Territorial)	10/1/2012	9/30/2014
1027506	Varies	Per Auths	Renaissance Community Homes (Southlawn)	10/1/2012	9/30/2014
1027506	Varies	Per Auths	Renaissance House, Inc.-Renaissance House	10/1/2012	9/30/2014
1027506	Varies	Per Auths	Saints Inc (Oak Manor)	10/1/2012	9/30/2014
1027506	Varies	Per Auths	Spectrum Community Services (Bateson)	10/1/2012	9/30/2014
1027506	Varies	Per Auths	Spectrum Community Services (Gentz)	10/1/2012	9/30/2014
1027506	Varies	Per Auths	Spectrum Community Services (Maywood)	10/1/2012	9/30/2014
1027506	Varies	Per Auths	St Louis Center	10/1/2012	9/30/2014
1027506	Varies	Per Auths	Synod Residential Services	10/1/2012	9/30/2014
1027506	Varies	Per Auths	Synod Residential Services (Burwood)	10/1/2012	9/30/2014
1027506	Varies	Per Auths	Synod Residential Services (Clark Pine)	10/1/2012	9/30/2014
1027506	Varies	Per Auths	Synod Residential Services (CRS Ash)	10/1/2012	9/30/2014
1027506	Varies	Per Auths	Synod Residential Services (Grant)	10/1/2012	9/30/2014
1027506	Varies	Per Auths	Synod Residential Services (Packard)	10/1/2012	9/30/2014
1027506	Varies	Per Auths	Synod Residential Services (Prosperity)	10/1/2012	9/30/2014
1027506	Varies	Per Auths	Synod Residential Services (Rosewood)	10/1/2012	9/30/2014
1027506	Varies	Per Auths	Synod Residential Services (Saxon)	10/1/2012	9/30/2014
1027506	Varies	Per Auths	Synod Residential Services (Synod House)	10/1/2012	9/30/2014
1027506	Varies	Per Auths	Synod Residential Services (Waterford)	10/1/2012	9/30/2014
1027506	Varies	Per Auths	Toepfer Home	10/1/2012	9/30/2014

WCHO MENTAL HEALTH CONTRACTS
FISCAL YEAR OCTOBER 1, 2012 - SEPTEMBER 30, 2013

Appendix A

Main F/B/T	Object	Annual Funding	Provider	Term Start	Term End
Pharmacy Services					
1030506	Varies	Per Auths	Ann Arbor Professional Pharmacy	10/1/2012	9/30/2013
1030506	Varies	Per Auths	Pharmaceutical Solutions	10/1/2012	9/30/2013
1030506	Varies	Per Auths	Nutritional Healing Center of Ann Arbor	10/1/2012	9/30/2013
PERS					
1031506	Varies	Per Auths	Guardian Medical Monitoring	10/1/2012	9/30/2013
1031506	Varies	Per Auths	CRC PERS Contract	10/1/2012	9/30/2014
Respite					
1033006	Varies	Per Auths	Autism Collaborative Center	10/1/2012	9/30/2013
1033006	Varies	Per Auths	Christian Horizons	10/1/2012	9/30/2013
1033006	Varies	Per Auths	Fowler Center	10/1/2012	9/30/2013
1033006	Varies	Per Auths	Friends Who Care	10/1/2012	9/30/2013
1033006	Varies	Per Auths	Judson Center Autism Connections	10/1/2012	9/30/2013
1033006	Varies	Per Auths	Just Us Club	10/1/2012	9/30/2013
1033006	Varies	Per Auths	Michigan Agency With Choice	10/1/2012	9/30/2013
1033006	Varies	Per Auths	Pine Ridge Bible Camp	10/1/2012	9/30/2013
1033006	Varies	Per Auths	Real Life Living Services, Inc.	10/1/2012	9/30/2013
1033006	Varies	Per Auths	Saline Area Schools	10/1/2012	9/30/2013
Skillbuilding					
1035506	Varies	Per Auths	Catholic Social Services	10/1/2012	9/30/2014
1033506	Varies	Per Auths	CHS Group LLC.	10/1/2012	9/30/2014
1033506	Varies	Per Auths	New Horizons Rehabilitation Services, Inc.	10/1/2012	9/30/2014
1033506	Varies	Per Auths	Work Skills Corporation	10/1/2012	9/30/2014
Supported Employment					
1035506	Varies	Per Auths	New Horizons Rehabilitation Services, Inc.	10/1/2012	9/30/2014
1035506	Varies	Per Auths	CHS Group LLC	10/1/2012	9/30/2014
1035506	Varies	Per Auths	Work Skills Corporation	10/1/2012	9/30/2014
Peer Directed Programs					
1030006	71050	\$ 206,160.00	Full Circle Community Center (Drop-In)	10/1/2012	9/30/2014
1032006	71050	\$ 342,452.00	Touchstone Services Inc-Fresh Start (Clubhouse)	10/1/2012	9/30/2014
LIP/Outpatient Agency					
1034006	Varies	Per Auths	Jusko More	10/1/2012	9/30/2014
1034006	Varies	Per Auths	Kids in Motion	10/1/2012	9/30/2014
1034006	Varies	Per Auths	Leaps and Bounds Therapy Services, PLLC	10/1/2012	9/30/2014
State Facilities					
1034506	Varies	Per Auths	Forensic Center	10/1/2012	Non-Expiring
1034506	Varies	Per Auths	Hawthorn Center -State Facility	10/1/2012	Non-Expiring
1034506	Varies	Per Auths	Kalamazoo Psychiatric Hospital & Pheasant Ridge	10/1/2012	Non-Expiring
1034506	Varies	Per Auths	Caro Center-State Facility	10/1/2012	Non-Expiring
1034506	Varies	Per Auths	Walter Reuther Hospital	10/1/2012	Non-Expiring
Fiscal Intermediaries					
Varies	Varies	Per Auths	Community Living Network	10/1/2012	9/30/2013
Varies	Varies	Per Auths	Guardian Trac LLC	10/1/2012	9/30/2013

**WCHO MENTAL HEALTH CONTRACTS
FISCAL YEAR OCTOBER 1, 2012 - SEPTEMBER 30, 2013**

Appendix A

Main F/B/T	Object	Annual Funding	Provider	Term Start	Term End
MDCH Agreements					
None	None	None	MDCH-ABW	10/1/2012	9/30/2013
None	None	None	MDCH-CMHSP	10/1/2012	9/30/2013
None	None	None	MDCH-PIHP	10/1/2012	9/30/2013
CSTS Master Agreement					
Varies	Varies	Per Auths	CSTS Master	10/1/2012	9/30/2013
University of Michigan Master Agreement					
Varies	Varies	Per Auths	University of Michigan Master	10/1/2012	9/30/2013
			UMATS		
			UM Depression Center		
			Michigan Visiting Nurses		
			Hospital Inpatient		
COFR Agreements					
WCHO is the County of Financial Responsibility/Listed CMH is serving					
Varies	Varies	Per Auths	Clinton Eaton Ingham	10/1/2012	9/30/2013
Varies	Varies	Per Auths	Development Centers	10/1/2012	9/30/2013
Varies	Varies	Per Auths	Easter Seals	10/1/2012	9/30/2013
Varies	Varies	Per Auths	Guidance Center	10/1/2012	9/30/2013
Varies	Varies	Per Auths	Kalamazoo CMH	10/1/2012	9/30/2013
Varies	Varies	Per Auths	Lenawee CMH	10/1/2012	9/30/2013
Varies	Varies	Per Auths	Lifeways	10/1/2012	9/30/2013
Varies	Varies	Per Auths	North Country	10/1/2012	9/30/2013
Varies	Varies	Per Auths	St. Clair County	10/1/2012	9/30/2013
Listed Provider is the County of Financial Responsibility / WCHO is serving the consumer					
Varies	Varies	Per Auths	Carelinks	10/1/2012	9/30/2013
Varies	Varies	Per Auths	Clinton Eaton Ingham	10/1/2012	9/30/2013
Varies	Varies	Per Auths	Gateway	10/1/2012	9/30/2013
Varies	Varies	Per Auths	Genesee County	10/1/2012	9/30/2013
Varies	Varies	Per Auths	Kalamazoo	10/1/2012	9/30/2013
Varies	Varies	Per Auths	Lifeways	10/1/2012	9/30/2013
Varies	Varies	Per Auths	Macomb County	10/1/2012	9/30/2013
Varies	Varies	Per Auths	Oakland County	10/1/2012	9/30/2013

WCHO MENTAL HEALTH CONTRACTS
FISCAL YEAR OCTOBER 1, 2012 - SEPTEMBER 30, 2013

Appendix A

Main F/B/T	Object	Annual Funding	Provider	Term Start	Term End
Expected Hospital Rate Adjuster Agreements (Amounts determined and funded by State of Michigan)					
1010101	71310	Pending	Allegiance Hospital	10/1/2012	9/30/2013
1010101	71310	Pending	BCA Stonescrest	10/1/2012	9/30/2013
1010101	71310	Pending	Borgess Hospital	10/1/2012	9/30/2013
1010101	71310	Pending	Chelsea Community Hospital	10/1/2012	9/30/2013
1010101	71310	Pending	Comm. Health Center of Branch County	10/1/2012	9/30/2013
1010101	71310	Pending	Detroit Receiving Hospital	10/1/2012	9/30/2013
1010101	71310	Pending	Edward W. Sparrow Hospital	10/1/2012	9/30/2013
1010101	71310	Pending	Forest View Psychiatric Hospital	10/1/2012	9/30/2013
1010101	71310	Pending	Harbor Oaks Hospital	10/1/2012	9/30/2013
1010101	71310	Pending	Havenwyck Hospital	10/1/2012	9/30/2013
1010101	71310	Pending	Healthsource Saginaw	10/1/2012	9/30/2013
1010101	71310	Pending	Henry Ford Wyandotte Hospital	10/1/2012	9/30/2013
1010101	71310	Pending	Herrick Memorial Hospital	10/1/2012	9/30/2013
1010101	71310	Pending	Hillsdale Community Health Center	10/1/2012	9/30/2013
1010101	71310	Pending	Kingswood Psychiatric Hospital	10/1/2012	9/30/2013
1010101	71310	Pending	Marquette General Hospital	10/1/2012	9/30/2013
1010101	71310	Pending	Memorial Healthcare	10/1/2012	9/30/2013
1010101	71310	Pending	Mercy Memorial Hospital	10/1/2012	9/30/2013
1010101	71310	Pending	Pine Rest Christian Hospital	10/1/2012	9/30/2013
1010101	71310	Pending	Providence Hospital	10/1/2012	9/30/2013
1010101	71310	Pending	St. Joseph's Mercy- Ann Arbor	10/1/2012	9/30/2013
1010101	71310	Pending	St. Mary's Healthcare- Grand Rapids	10/1/2012	9/30/2013
1010101	71310	Pending	The Behavioral Center of Michigan	10/1/2012	9/30/2013
1010101	71310	Pending	U of M	10/1/2012	9/30/2013
Memorandums of Understanding (No exchange of Funds)					
Coordination					
None	None	None	American Indian Health and Family Services	Non-Expiring	
None	None	None	Avalon Housing	Non-Expiring	
None	None	None	DHS	Non-Expiring	
None	None	None	Eastern Michigan University	Non-Expiring	
None	None	None	Packard Health	Non-Expiring	
None	None	None	Schoolcraft College	Non-Expiring	
Medicaid Health Plans					
None	None	None	Blue Cross Complete of Michigan	Non-Expiring	
None	None	None	Meridian Health Plan of Michigan	Non-Expiring	
None	None	None	Midwest Health Plan	Non-Expiring	
None	None	None	Molina Healthcare of Michigan	Non-Expiring	
WCHO Revenue					
1021006	71050	Per Budget	Lenawee CMH Authority (Purchaser)	10/1/2012	9/30/2013
1021006	71050	Per Budget	Livingston County CMH (Purchaser)	10/1/2012	9/30/2013
1021006	71050	Per Budget	Monroe Community Mental Health Authority (Purchaser)	10/1/2012	9/30/2013

WCHO SUBSTANCE ABUSE CONTRACTS
FISCAL YEAR OCTOBER 1, 2012 - SEPTEMBER 30, 2013

Appendix B

Main F/B/T	Object	Annual Funding	Provider	Term Start	Term End
SA Administration					
1110001	71050	\$ 4,000.00	Ann Arbor Area Community Foundation	10/1/2012	9/30/2013
1110001	71050	\$ 6,437.00	Michigan Dept of Career Development-MI Rehabilitation Services (SA)	10/1/2012	9/30/2013
1135206	71240	\$ 1,320.00	Human Resource Opportunities	10/1/2012	9/30/2013
1135206	71050	\$ 326,278.68	Washtenaw County COBO	10/1/2012	9/30/2013
SA ROSC					
1137006	71050	\$ 714,400.00	Dawn-Farm ROSC	10/1/2012	9/30/2013
1137006	71050	\$ 714,400.00	Home of New Vision-ROSC	10/1/2012	9/30/2013
1137006	71050	\$ 714,400.00	Livingston CMHA ROSC	10/1/2012	9/30/2013
1137006	71050	TBD	Lenawee CA ROSC	10/1/2012	9/30/2013
SA Treatment					
1137006	Varies	Per Auths	Dawn Inc. - Stoney Creek	10/1/2012	9/30/2013
1137006	82030	Per Auths	Hegira Programs, Inc./Oakdale	10/1/2012	9/30/2013
1137006	Varies	Per Auths	Holy Cross Family and Child Services d/b/a Kairos Healthcare, Inc	10/1/2012	9/30/2013
1137006	Varies	\$ 292,000.00	Home of New Vision- Engagement Center	10/1/2012	9/30/2013
1137006	Varies	\$ 100,000.00	Home of New Vision- Women's Specialty Services	10/1/2012	9/30/2013
1137006	Varies	\$ 295,942.00	Home of New Vision- Case Management Services	10/1/2012	9/30/2013
1137006	Varies	Per Auths	Key Development Center, Inc.--Brighton	10/1/2012	9/30/2013
1137006	Varies	Per Auths	Personalized Nursing Light House, Inc. - Plymouth	10/1/2012	9/30/2013
1137006	Varies	Per Auths	Premier Services of Michigan LLC - Madison Hts	10/1/2012	9/30/2013
1137006	Varies	Per Auths	Sacred Heart Clearview Rehab Center- Clearview	10/1/2012	9/30/2013
1137006	Varies	Per Auths	Sacred Heart Rehab Center-Memphis	10/1/2012	9/30/2013
1135206	71050	\$ 40,000.00	Livingston CMHA, 44th Judicial Circuit, Liv Public Health, etc	10/1/2012	9/30/2013
1137006	Varies	Per Auths	Trinity Health St Joseph Mercy Behavioral Services-Greenbrook	10/1/2012	9/30/2014
1137006	Varies	Per Auths	Trinity Health St Joseph Mercy Behavioral Services-OP-Brighton	10/1/2012	9/30/2014
1137006	Varies	Per Auths	Ultimate Solutions	10/1/2012	9/30/2013
1137006	Varies	Per Auths	Ypsilanti Medical and Drug Rehabilitation Clinic	10/1/2012	9/30/2013
SA Prevention					
1131006	71050	\$ 75,994.00	Catholic Social Services of Washtenaw Co	10/1/2012	9/30/2013
1131006	71050	\$ 310,436.00	Corner Health Center	10/1/2012	9/30/2013
1131006	71050	\$ 106,226.00	HIV/Aids Resource Center	10/1/2012	9/30/2013
1131006	71050	\$ 407,354.00	Livingston County Catholic Charities	10/1/2012	9/30/2013
1131006	71050	\$ 65,000.00	Karen Bergbower and Associates	10/1/2012	9/30/2013

CSTS CONTRACTS
FISCAL YEAR OCTOBER 1, 2012 - SEPTEMBER 30, 2013

Main F/B/T	Object	Annual Funding	Provider	Term Start	Term End
CSTS Administration					
9016006	71050	\$ 5,000.00	Connections for Deaf Citizens	10/1/2012	9/30/2013
9016006	71050	\$ 5,000.00	Language Lines	10/1/2012	9/30/2013
9016006	71050	\$ 20,000.00	University Translators Services Inc.	10/1/2012	9/30/2013
9016006	71050	\$ 4,000.00	Dummies on the Run	10/1/2012	9/30/2013
9016006	87005	\$ 5,000.00	Jays Transportation	10/1/2012	9/30/2013
9016006	71050	\$ 4,000.00	Offsite, LLC	10/1/2012	9/30/2013
9016006	87005	\$ 45,000.00	Select Ride	10/1/2012	9/30/2013
9091020	71050	\$ 56,320.00	Michelle Gargan	10/1/2012	9/30/2013
CSTS Administration (Revenue)					
9036506	61110	\$ 40,000.00	Ann Arbor Housing Commission	10/1/2012	9/30/2013
9016006	61110	\$ 18,000.00	Headstart	8/1/2012	7/31/2013
9026506	61110	Pending	Sheriff's Department	10/1/2012	9/30/2013
9016006	61110	\$ 750.00	WISD	10/1/2012	9/30/2013
CSTS Supported Employment Work Activity					
9035506	71050	\$ 9,000.00	Service Master of Eastern Washtenaw County, LLC	10/1/2012	9/30/2013
9035506	71050	\$ 2,500.00	Vertex System	10/1/2012	9/30/2013
9035506	71050	\$ 5,000.00	American Building Services	10/1/2012	9/30/2013
9035506	71050	\$ 20,000.00	B&B Snowplowing & Lawn Service, Inc.	10/1/2012	9/30/2013
9035506	71050	\$ 4,000.00	NISH	10/1/2012	9/30/2013
9035506	71240	\$ 4,000.00	Republic Waste	10/1/2012	9/30/2013
CSTS Supported Employment Work Activity (Revenue)					
9035506	61110		Ace Hardware	10/1/2012	9/30/2013
9035506	61110		Ann Arbor Rug & Carpet	10/1/2012	9/30/2013
9035506	61110		Box Car Studios	10/1/2012	9/30/2013
9035506	61110		Carlisle Wortman	10/1/2012	9/30/2013
9035506	61110		CSS Lawn Contract	10/1/2012	9/30/2013
9035506	61110		Chinmayo Mission	10/1/2012	9/30/2013
9035506	61110		Community Residence Corp.	10/1/2012	9/30/2013
9035506	61110		DB Lawn Contract	10/1/2012	9/30/2013
9035506	61110		Full Circle	10/1/2012	9/30/2013
9035506	61110		Gemini Group USA	10/1/2012	9/30/2013
9035506	61110		Gym America	10/1/2012	9/30/2013
9035506	61110		JF New	10/1/2012	9/30/2013
9035506	61110		Nimboxx Inc.	10/1/2012	9/30/2013
9035506	61110		Shelter Assoc. of W.C.	10/1/2012	9/30/2013
9035506	61110		Washtenaw County Facilities	10/1/2012	9/30/2013
9035506	61110		W.C. Parks and Rec Janitorial	10/1/2012	9/30/2013
9035506	61110		W.C. Parks and Rec-Lawn	10/1/2012	9/30/2013
9035506	61110		Ypsilanti Senior Center	10/1/2012	9/30/2013

All Work Activity Revenue Contracts are based upon actual services provided and invoiced to these organizations by CSTS.

Covered Services Medicaid – Provider Manual -7/1/2012	Medicaid				
	State Plan	HAB Waiver	Child Waiver	ABW	Additional (B3) Services
Access, Assessment, & Referral (SA)				X	
Assertive Community Treatment	X				
Assessments	X			X	
Assistive Technology					X
Behavior Treatment Review	X				
Child Therapy	X				
Chore Services		X			
Clubhouse Psychosocial Rehabilitation	X			X	
Community Living Supports “Licensed Setting”		X			X
Community Living Supports “Unlicensed Setting”		X	X		X
Crisis Interventions	X			X	
Crisis Observation Care					X
Crisis Residential Services	X				
Drop-In Centers				X	X
Enhanced Medical Equipment and Supplies		X			
Enhanced Pharmacy		X			X
Enhanced Transportation			X		
Enhanced Accessibility Adaptations			X		
Environmental Modifications		X			X
Family Therapy	X			X	
Family Training		X	X		
Non-Family Training			X		
Family Support and Training			X		X
Fencing					
Fiscal Intermediary Services					X
Health Services	X				
Home-Based Services	X				
Housing Assistance					X
Individual/Group Therapy	X			X	
Inpatient Psychiatric Hospital Admissions	X			X	
Intensive Crisis Stabilization Services	X			X	
Intensive Outpatient Program (IOP) (SA)	X			X	
Intermediate Care Facility Individuals with Mental Retardation (ICF/MR)	X				
Medication Administration	X			X	
Medication Review	X			X	
Methadone & LAAM Treatment (SA)	X			X	
Nursing Facility Mental Health Monitoring	X				
Occupational Therapy	X				
Out-of-Home Non-Vocational Habilitation		X			
Outpatient Partial Hospitalization Services	X				
Outpatient Treatment (SA)				X	
Peer Specialist Services					X
Personal Care in a Specialized Residential	X				
Personal Emergency Response System (PERS)		X			
Prevocational Services		X			
Private Duty Nursing		X			
Physical Therapy	X				
Residential Treatment (SA)					X
Respite		X	X		X
Skill-Building Assistance					X
Specialized Medical Equipment and Supplies			X		
Speech, Hearing, and Language	X				
Specialty Services			X		
Sub-Acute Detoxification (SA)					X
Supports Coordination		X			X
Supported Employment		X			
Supported/Integrated Employment Services					X
Targeted Case Management	X			X	
Telemedicine	X				
Transportation	X				
Treatment Planning	X				
Wraparound Services for Children and Adolescents					X

Medicaid Covered Specialty Mental Health/Substance Abuse Services and Supports
 The following information is based upon the most recent Medicaid Provider Manual dated 7/1/12

Medical Necessity Criteria

The following medical necessity criteria apply to Medicaid mental health, developmental disabilities, and substance abuse supports and services.

Medical Necessity Criteria

Mental health, developmental disabilities, and substance abuse services are supports, services and treatment:

- Necessary for screening and assessing the presence of a mental illness, developmental disability or substance use disorder; **and/or**
- Required to identify and evaluate a mental illness, developmental disability or substance use disorder; **and/or**
- Intended to treat, ameliorate, diminish, or stabilize the symptoms of mental illness, developmental disability or substance use disorder; **and/or**
- Expected to arrest or delay to progression of mental illness, developmental disability or substance use disorder; **and/or**
- Designed to assist the beneficiary to attain or maintain a sufficient level of functioning in order to achieve his goals of community inclusion and participation, independence, recovery, or productivity.

The determination of a medically necessary support, service or treatment must be:

- Based on information provided by the beneficiary, beneficiary's family, and/or other individual's (e.g., friends, personal assistants/aides) who know the beneficiary; **and**
- Based on clinical information from the beneficiary's primary care physician or health care professionals with relevant qualifications who have evaluated the beneficiary; **and**
- For beneficiaries with mental illness or developmental disabilities, based on person centered planning and for beneficiaries with substance use disorders, individualized treatment planning; **and**
- Made by appropriately trained mental health, developmental disabilities, or substance abuse professionals with sufficient clinical experience; **and**
- Made within federal and state standards for timeliness; **and**
- Sufficient in amount, scope and duration of the service(s) to reasonably achieve its/their purpose; **and**
- Documented in the individual plan of service.

Supports, Services, and Treatment Authorized by the PIHP must be:

- Delivered in accordance with federal and state standards for timeliness in a location that is accessible to the beneficiary; **and**
- Responsive to particular needs of multi-cultural populations and furnished in a culturally relevant manner; **and**
- Responsive to the particular needs of beneficiaries with sensory or mobility impairments and provided with the necessary accommodations; **and**
- Provided in the least restrictive, most integrated setting. Inpatient, licensed residential or other segregated settings shall be used only when less restrictive levels of treatment, service or support have been, for that beneficiary, unsuccessful or cannot be safely provided; **and**
- Delivered consistent with, where they exist, available research findings, health care practice guidelines, best practices and standards of practice issued by professionally recognized organizations or government agencies.

PIHP Decisions:

Using criteria for medical necessity, a PIHP may:

Deny services that are:

- Deemed ineffective for a given condition based upon professionally and scientifically recognized and accepted standards of care; **or**
- Experimental or investigational in nature; **or**
- For which there exists another appropriate, efficacious, less restrictive and cost-effective service that otherwise satisfies the standards for medically-necessary services

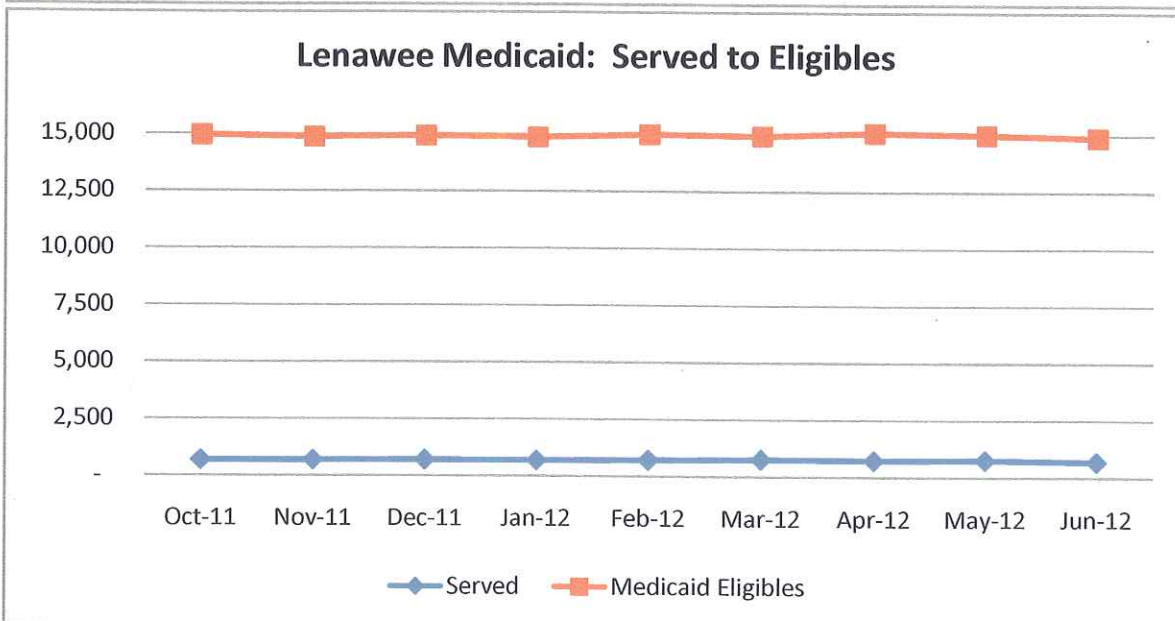
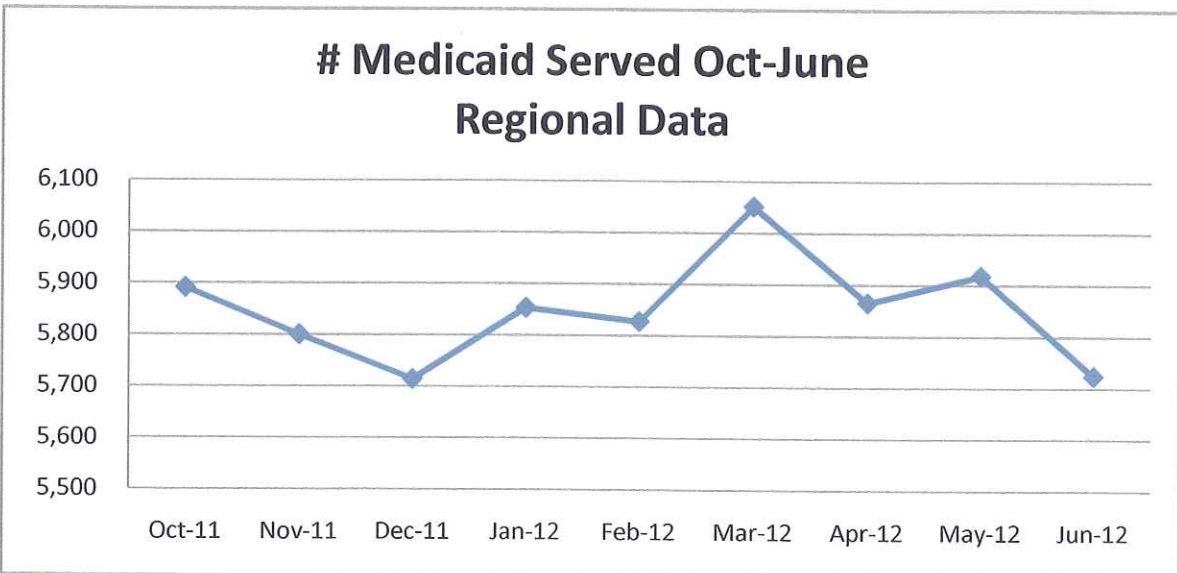
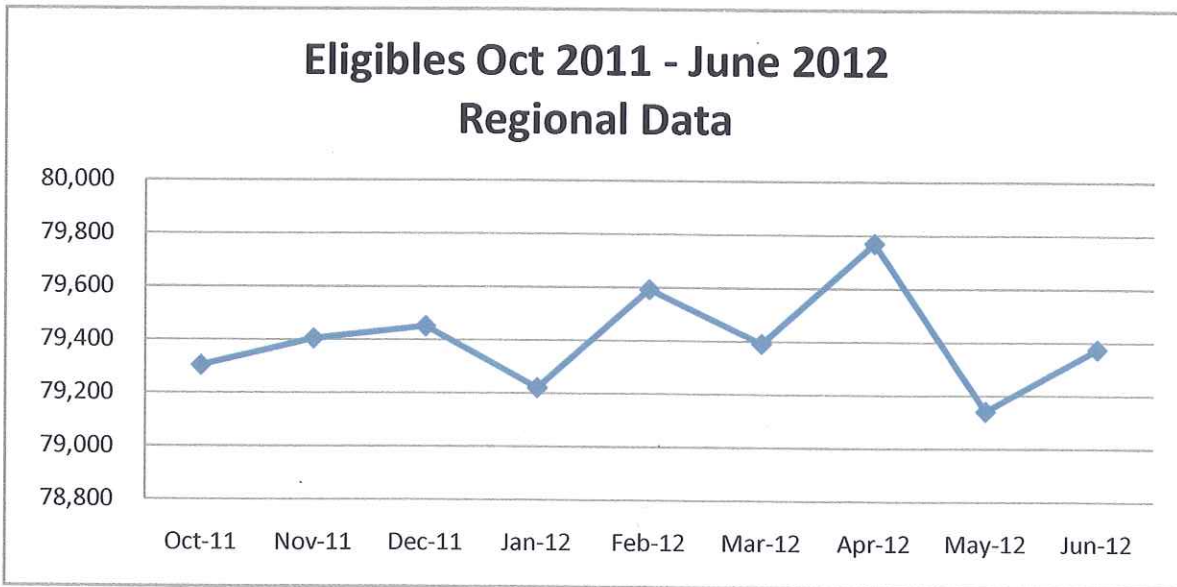
A PIHP may employ various methods to determine amount, scope and duration of services, including prior authorization for certain services, concurrent utilization reviews, centralized assessment and referral, gate-keeping arrangements, protocols, and guidelines.

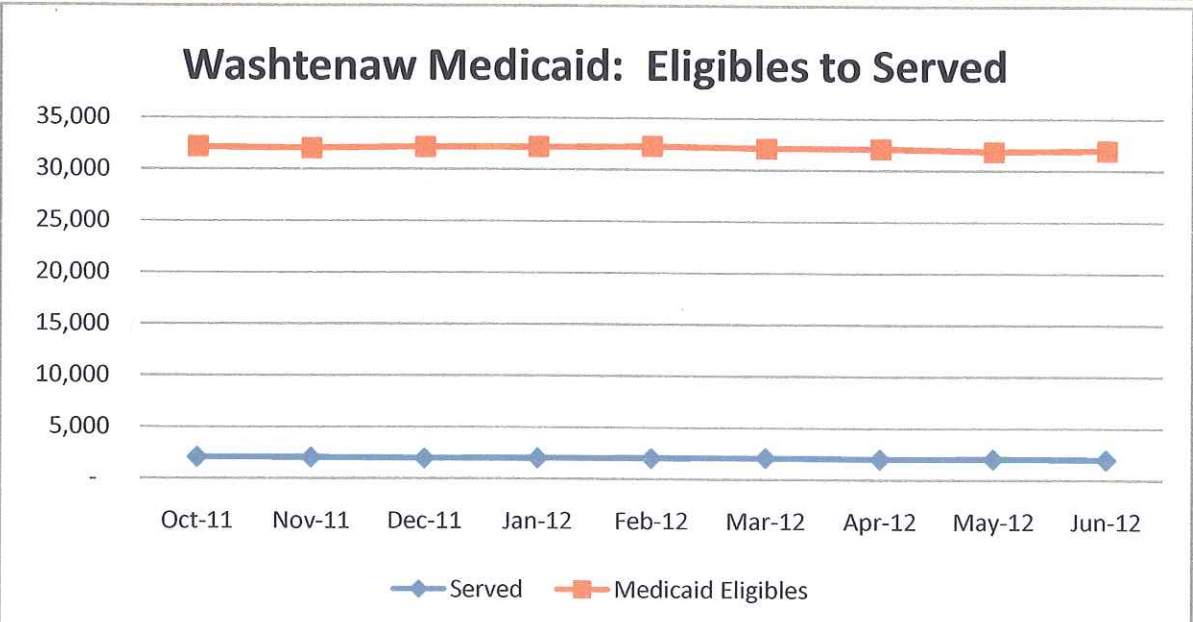
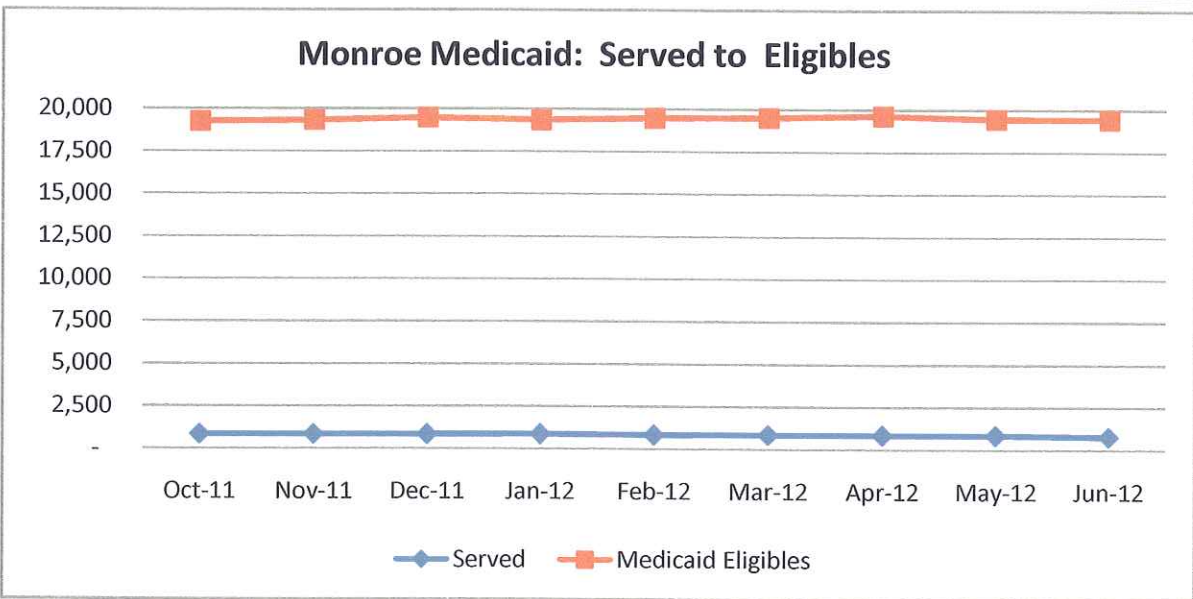
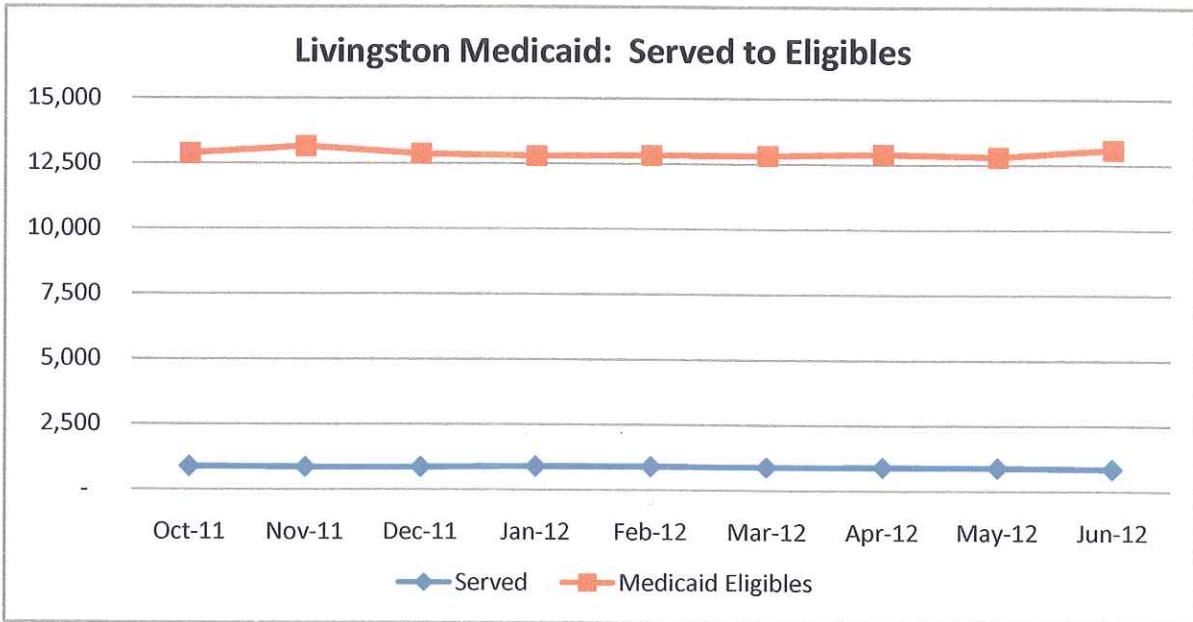
A PIHP may not solely deny services based **solely** on present limits of the cost, amount, scope, and duration of services. Instead, determination of the needs for services shall be conducted on an individualized basis.

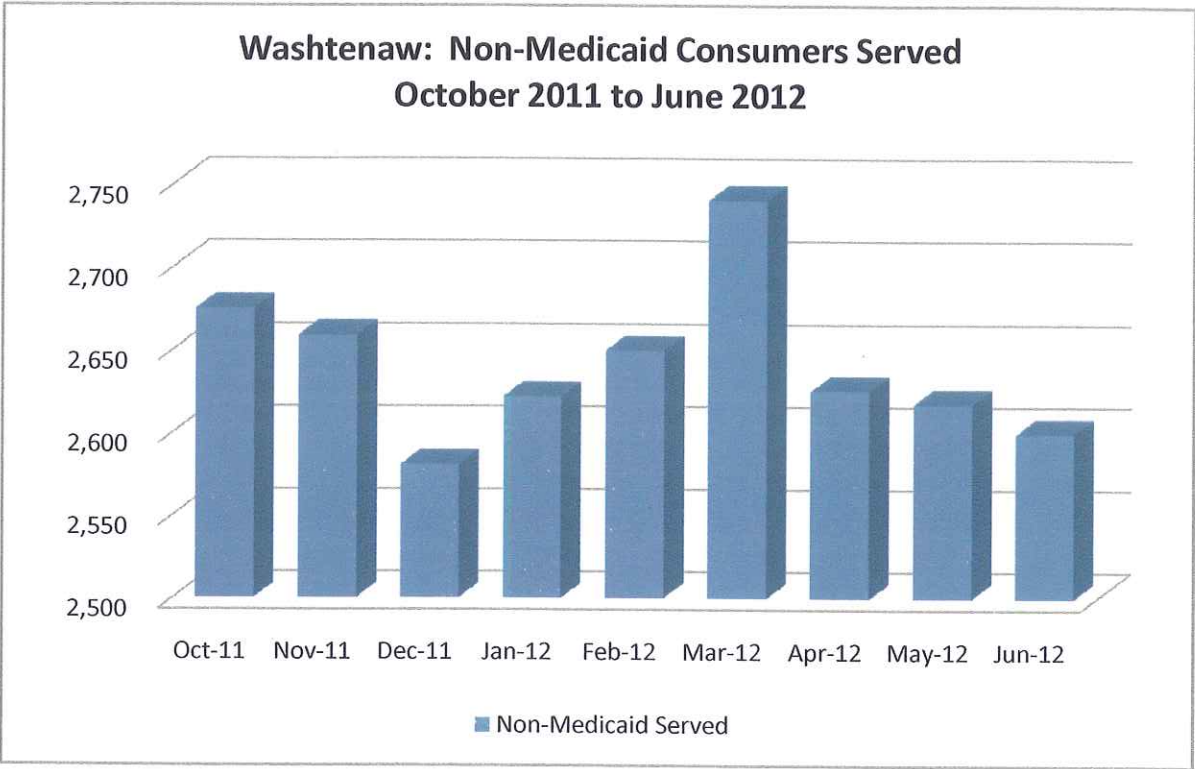
**MEDICAID SUMMARY-NUMBER OF ELIGIBLES AND NUMBER SERVED
OCTOBER 2011 THROUGH JUNE 2012**

County	Year	Month	Mcaid Eligibles	# Medicaid served	# NonMedicaid served	Total served
Lenawee	2011	10	14,951	690	873	1,563
Lenawee	2011	11	14,867	685	845	1,530
Lenawee	2011	12	14,930	696	852	1,548
Lenawee	2012	1	14,874	686	866	1,552
Lenawee	2012	2	15,001	711	871	1,582
Lenawee	2012	3	14,945	753	931	1,684
Lenawee	2012	4	15,101	729	910	1,639
Lenawee	2012	5	15,015	763	935	1,698
Lenawee	2012	6	14,897	688	862	1,550
Livingston	2011	10	12,894	879	1,221	2,100
Livingston	2011	11	13,164	862	1,185	2,047
Livingston	2011	12	12,877	857	1,179	2,036
Livingston	2012	1	12,804	891	1,235	2,126
Livingston	2012	2	12,836	894	1,224	2,118
Livingston	2012	3	12,825	886	1,248	2,134
Livingston	2012	4	12,914	898	1,234	2,132
Livingston	2012	5	12,806	878	1,250	2,128
Livingston	2012	6	13,098	842	1,200	2,042
Monroe	2011	10	19,266	839	1,122	1,961
Monroe	2011	11	19,326	846	1,111	1,957
Monroe	2011	12	19,477	834	1,102	1,936
Monroe	2012	1	19,358	853	1,130	1,983
Monroe	2012	2	19,475	817	1,082	1,899
Monroe	2012	3	19,517	849	1,131	1,980
Monroe	2012	4	19,653	836	1,095	1,931
Monroe	2012	5	19,468	834	1,115	1,949
Monroe	2012	6	19,441	775	1,062	1,837
Washtenaw	2011	10	32,192	2,064	2,675	4,739
Washtenaw	2011	11	32,047	2,026	2,659	4,685
Washtenaw	2011	12	32,167	1,959	2,581	4,540
Washtenaw	2012	1	32,185	1,996	2,622	4,618
Washtenaw	2012	2	32,280	2,017	2,650	4,667
Washtenaw	2012	3	32,104	2,073	2,741	4,814
Washtenaw	2012	4	32,101	2,002	2,626	4,628
Washtenaw	2012	5	31,852	2,025	2,618	4,643
Washtenaw	2012	6	31,938	1,971	2,600	4,571

County	Year	Month	Mcaid Eligibles	# Medicaid served	# NonMedicaid served	Total served
REGIONAL	2011	10	79,303	4,472	5,891	10,363
	2011	11	79,404	4,419	5,800	10,219
	2011	12	79,451	4,346	5,714	10,060
	2012	1	79,221	4,426	5,853	10,279
	2012	2	79,592	4,439	5,827	10,266
	2012	3	79,391	4,561	6,051	10,612
	2012	4	79,769	4,465	5,865	10,330
	2012	5	79,141	4,500	5,918	10,418
	2012	6	79,374	4,276	5,724	10,000









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August 2, 2012

Ms. Lynda Zeller
Deputy Director of Behavioral Health and Developmental Disabilities Administration
State of Michigan
Department of Community Health
400 S. Pine Street
P.O. Box 30479
Lansing, MI 48909-7979

**RE: SPECIALTY SERVICES AND SUPPORTS WAIVER CAPITATION RATES – PROPOSED
PAID RATES EFFECTIVE FISCAL YEAR 2013**

Dear Lynda:

Milliman, Inc. (Milliman) was retained by the State of Michigan, Department of Community Health (MDCH) to develop capitation rates for the Managed Specialty Services and Supports Waiver. Milliman was requested by MDCH to develop capitation rates for fiscal year 2013.

A separate letter dated July 27, 2012 documented the calculation rate methodology, illustrated an actuarially sound rate range, and provided the required certification regarding actuarial soundness. This letter documents the proposed capitation rates that will be paid by MDCH during the fiscal year 2013 rate period.

LIMITATIONS

The services provided for this project were performed under the signed contract between Milliman and MDCH approved October 21, 2010.

The information contained in this letter, including the enclosures, has been prepared for the State of Michigan, Department of Community Health and their consultants and advisors. It is our understanding that the information contained in this letter may be utilized in a public document. To the extent that the information contained in this letter is provided to third parties, the letter should be distributed in its entirety. Any user of the data must possess a certain level of expertise in actuarial science and healthcare modeling so as not to misinterpret the data presented.

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Ms. Lynda Zeller
 August 2, 2012
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The capitation rates contained within the enclosure were developed with regard to the mental health, substance abuse, and waiver (c) capitation rates for the Managed Specialty Services and Supports Waiver PIHPs that operate in the State of Michigan. The information may not be appropriate for any other purpose. It is the responsibility of any individual PIHP to establish required revenue levels appropriate for their risk, management and contractual obligations.

Milliman has relied upon certain data and information provided by MDCH and its vendors. The values presented in this correspondence are dependent upon this reliance. To the extent that the data was not complete or was inaccurate, the values presented will need to be reviewed for consistency and revised to meet any revised data.

EXECUTIVE SUMMARY

Enclosure 1 provides a summary of the capitation rates and the rate adjustment factors that will be used to allocate capitation revenue during fiscal year 2013. The capitation rates were developed on a per member per month basis and vary by benefit type and program code. The mental health and substance abuse capitation rates have been split between state plan services and 1915 (b) (3) services. The proposed base mental health state plan and (b)(3) rates for the Aged, Blind, and Disabled (DAB) populations differ between PIHPs based on historical revenue requirements to serve the enrolled beneficiaries and estimated morbidity variation outside of age and gender. Age/gender and geographic factor adjustments are consistent with the factors developed for the state fiscal year 2012 capitation rates. The waiver (c) capitation rates are paid on a per waiver (c) eligible basis. The payment formula for the waiver (c) capitation rates has been provided in Enclosure 2. The waiver (c) PIHP factors have not been modified from the state fiscal year 2012 capitation rates.

The benefit types include mental health, substance abuse, and waiver (c) services. The program code categories include the TANF populations and the DAB populations. Rate adjustment factors have been developed to reflect age, gender, and geographic region for each benefit category and population.

Table 1 illustrates a comparison of the projected expenditures under the composite capitation rates paid during fiscal year 2012 and the proposed capitation rates effective for fiscal year 2013. The fiscal year 2012 rates reflect the rates that were paid from April 1, 2012 through September 30, 2012. The proposed capitation rates are within the certified actuarially sound rate range. Milliman utilized estimated fiscal year 2013 enrollment for each of the proposed capitation rate bases. The waiver (c) expenditures have been estimated based on monthly enrollment of 7,900 members.

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August 2, 2012
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Table 1
State of Michigan
Department of Community Health
Comparison of Projection of Capitation Rate Expenditures
Fiscal Year 2013 vs. Fiscal Year 2012
(Values in \$ Millions)

Rate Category	FY 2012 Rates	FY 2013 Rates	Increase / Decrease
TANF			
Mental Health	\$168.4	\$169.9	\$1.5
Substance Abuse	\$21.2	\$21.5	\$0.3
DAB			
Mental Health	\$1,534.0	\$1,549.4	\$15.3
Substance Abuse	\$23.1	\$23.5	\$0.4
Waiver (c)	\$429.5	\$431.9	\$2.5
Total State & Federal	\$2,176.2	\$2,196.2	\$20.0
Total Federal Only	\$1,444.8	\$1,458.1	\$13.3

Notes:

[1] Values have been rounded.

[2] Federal Medical Assistance Percentage of 66.39% used for Federal only expenditures. The FMAP reflects the FY 2013 FMAP values. For comparison purposes the same FMAP was used for both sets of rates.

Enclosure 1 illustrates the base capitation payment amounts and separate amounts that will be paid to the PIHPs for state plan and 1915(b)(3) services that are reflective of claims tax amounts. The base claims tax amounts will be adjusted by the age/gender and geographic factors outlined in Enclosure 1. Separate claims tax amounts have also been illustrated for the waiver(c) rates in Enclosure 2. Each waiver(c) capitation payment will include an additional amount for taxes that is reflective of the beneficiary's residential living arrangement and PIHP geographic factor.

Table 2 illustrates expenditures for fiscal year 2013 without amounts for the Hospital Reimbursement Adjustments (HRA). The table is intended to illustrate the net funding changes between the fiscal year 2012 rates and the proposed paid rates developed for fiscal year 2013.

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Ms. Lynda Zeller
August 2, 2012
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Table 2
State of Michigan
Department of Community Health
Comparison of Projection of Capitation Rate Expenditures
Fiscal Year 2013 – Without Hospital Reimbursement Adjustment Payments
(Values in \$ Millions)

Rate Category	FY 2012 Rates	FY 2013 Rates	Increase / Decrease
TANF			
Mental Health	\$168.4	\$169.9	\$1.5
Substance Abuse	\$21.2	\$21.5	\$0.3
DAB			
Mental Health	\$1,485.7	\$1,503.9	\$18.2
Substance Abuse	\$23.1	\$23.5	\$0.4
Waiver (c)	\$429.5	\$431.9	\$2.5
Total State & Federal	\$2,127.9	\$2,150.8	\$22.9
Total Federal Only	\$1,412.7	\$1,427.9	\$15.2

Notes:

[1] Values have been rounded.

[2] Federal Medical Assistance Percentage of 66.39% used for Federal only expenditures. The FMAP reflects the FY 2013 FMAP values. For comparison purposes the same FMAP was used for both sets of rates.

QUALIFICATION

Guidelines issued by the American Academy of Actuaries require actuaries to include their professional qualifications in all actuarial communications. I am a member of the American Academy of Actuaries, and meet the qualification standards for performing the analyses in this report.



If you have any questions regarding the enclosed information, please contact me at (317) 524-3523.

Sincerely,

Paul R. Houchens, FSA, MAAA
Consulting Actuary

PRH/lrb
Enclosures

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ENCLOSURE 1

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State of Michigan
 Department of Community Health
 Specialty Services Waiver
 SFY 2013 Capitation Payments - Proposed Paid Rates

<u>Service and Population</u>	<u>No Taxes</u>		<u>Claims Tax Amount</u>	
	<u>State Plan</u>	<u>1915(b)(3)</u>	<u>State Plan</u>	<u>1915(b)(3)</u>
TANF Mental Health	\$11.69	\$0.60	\$0.11	\$0.00
DAB Mental Health	\$144.06	\$112.35	\$1.30	\$1.10
TANF Substance Abuse	\$0.99	\$0.53	\$0.01	\$0.01
DAB Substance Abuse	\$2.39	\$1.47	\$0.02	\$0.01

SFY 2013 Age/Gender Factors

<u>Service and Population</u>	<u>0 - 17</u>	<u>18 - 25</u>	<u>26 - 39</u>	<u>40 - 49</u>	<u>50 - 64</u>	<u>65+</u>
Mental Health - TANF						
Male - State Plan	1.0801	1.0368	1.1256	1.1711	1.1345	0.0051
Female - State Plan	0.7520	0.9787	1.3221	1.7031	1.4755	0.0051
Male - (b)(3)	1.1362	0.6899	0.9985	1.4567	1.6373	0.0145
Female - (b)(3)	0.6553	0.7939	1.3799	2.4482	2.6422	0.0145
Mental Health - DAB						
Male - State Plan	0.7448	1.1596	1.6187	1.8339	1.4514	0.4800
Female - State Plan	0.5512	0.8681	1.3051	1.3807	1.0856	0.2677
Male - (b)(3)	0.1352	0.7326	2.6768	2.1527	1.6687	0.6181
Female - (b)(3)	0.0968	0.5374	1.9180	1.3680	1.0878	0.2997
Substance Abuse - TANF						
Male	0.3111	1.8791	3.6644	3.3059	3.0035	0.0173
Female	0.1361	2.1205	3.3977	4.1764	4.2491	0.0173
Substance Abuse - DAB						
Male	0.2107	1.1044	1.3860	2.0532	2.5102	0.1323
Female	0.0718	0.8942	1.5727	1.7315	1.1448	0.0276

SFY 2013 Geographic Factors

<u>PIHP Name</u>	<u>Mental Health</u>		<u>Substance Abuse</u>	
	<u>TANF</u>	<u>DAB</u>	<u>TANF</u>	<u>DAB</u>
Lakeshore Affiliation	0.7142	0.9713	1.2597	0.7709
CMH for Central Michigan	1.1374	0.9746	0.9341	0.6714
Access Alliance	1.4210	1.0242	1.2332	0.6474
Southeast Partnership	0.9301	0.9743	1.0297	0.7563
Southwest Alliance	0.9734	1.0190	1.1008	0.8459
Saginaw	0.7492	0.8074	1.4231	0.9313
Genesee	1.0027	0.9040	1.4103	1.1725
CMH Affiliation of Mid-Michigan	1.0961	0.9404	0.8653	0.5830
Detroit-Wayne	0.9244	0.7914	0.6282	1.4053
North Care	1.1210	1.2081	1.2354	0.6668
Lifeways	0.9243	0.8684	1.2840	0.7208
Macomb	0.9729	1.3522	1.2367	1.2768
Oakland	0.9544	1.6333	1.2125	0.8882
Thumb Alliance	1.3545	1.3679	1.0271	0.7755
Network 180	0.8648	0.9874	1.0591	0.8186
Venture	1.1803	0.8837	0.9580	0.5409
North Country	1.0291	0.9696	1.2146	0.7495
Northern Lakes	1.3465	1.0360	1.1716	0.7121



ENCLOSURE 2

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State of Michigan
 Department of Community Health
 Specialty Services Waiver
 Waiver C Capitation Rate Development
 SFY 2013 Capitation Rates - Proposed Paid Rates

Rate Development Base:

Residential Living Arrangement
 Supported Independence Program:
 Private Residence with Spouse or Non-Family
 Specialized Residential Home
 Private Residence with Family or Foster Home

	No Taxes	Claims Tax Only
	\$1,672.67	\$16.38
	\$4,069.71	\$39.89
	4,386.47	42.98
	2,453.76	24.04
	1,869.54	18.32

Mount Pleasant \$ 8,127.80

Multiplicative Factor

Lakeshore Affiliation 1.1917
 CMH for Central Michigan 0.8600
 Access Alliance 1.0012
 Southeast Partnership 0.9733
 Southwest Alliance 0.9674
 Saginaw 1.0258
 Genesee 0.9483
 CMH Affiliation of Mid-Michigan 1.0292
 Detroit-Wayne 0.9867
 North Care 1.1014
 Lifeways 0.8534
 Macomb 0.9672
 Oakland 0.9868
 Thumb Alliance 1.0949
 Network 180 1.0363
 Venture 0.9514
 North Country 0.9853
 Northern Lakes 0.9660

SECTION VI

ACRONYM LIST

ACRONYMS..... AND THEIR DEFINITIONS
ABW	ADULT BENEFIT WAIVER. CONSUMER MUST BE ENROLLED IN PROGRAM. REVENUE IS BASED ON CAPITATION RATE.
AEC	AFFILIATION EXECUTIVE COMMITTEE
AFC	ADULT FOSTER CARE
AP	ACCOUNTING PERIOD. REPRESENTS THE MONTH THE REPORT IS REPORTING, AND MAY INCLUDE YEAR-TO-DATE CUMULATIVE AMOUNTS WHERE "YTD" IS NOTED.
BBA	BALANCE BUDGET ACT
BTC	BEHAVIOR TREATMENT COMMITTEE
CA	COORDINATING AGENCY FOR SUBSTANCE ABUSE
CARRY FORWARD	FUNDS THAT WERE UNSPENT IN THE PRIOR YEAR BEING USED AS REVENUE FOR CURRENT YEAR.
CPT	CLINICAL PERFORMANCE TEAM
CHILD WAIVER	FEE-FOR-SERVICE MEDICAID PROGRAM. STATE HAS LIMITED NUMBER OF ENROLLMENTS. REVENUE USUALLY INSUFFICIENT TO COVER EXPENSES. CHILDREN ARE EXTREMELY MEDICALLY FRAGILE AND REQUIRES INTENSE SERVICES.
CLF	COMMUNITY LIVING FACILITY
CLS	COMMUNITY LIVING SUPPORT
CMHPSM	COMMUNITY MENTAL HEALTH PARTNERSHIP OF SOUTHEASTERN MICHIGAN
CMS	CENTER FOR MEDICARE & MEDICAID SERVICES
COA	COUNCIL ON AGING OR COUNCIL ON ACCREDITATION
COB	COORDINATION OF BENEFITS
COMMUNITY INPATIENT FACILITY	COMMUNITY PSYCHIATRIC HOSPITAL
CPT	FUNDING CODES THAT TIE INTO THE FUNDING BUCKETS
CSSN	COMPREHENSIVE SPECIALTY SERVICES NETWORK
CWS	CHILDREN WAIVER SERVICES
DCH	DEPARTMENT OF COMMUNITY MENTAL HEALTH
DD	DEVELOPMENTAL DISABILITIES SERVICES
DD	DEVELOPMENTAL DISABILITY; PERSONS WITH A DEVELOPMENTAL DISABILITY
EBP	EVIDENCE BASED PRACTICE
EQR	EXTERNAL QUALITY REVIEW (AKA FEDERAL AUDIT)
FI	FISCAL INTERMEDIARY
FUND BALANCE	THE AMOUNT ON THE BALANCE SHEET THAT REPRESENTS ASSETS IN EXCESS OF LIABILITIES. AT YEAR END, THE AMOUNT OF REVENUE IN EXCESS OF EXPENSES FLOWS TO THE FUND BALANCE WHEN THE FINANCE BOOKS ARE CLOSED.
GF	GENERAL FUNDS FROM DCH TO COVER INDIGENT CONSUMERS WHO DO NOT MEET MEDICAID ELIGIBILITY REQUIREMENTS. INCLUDES GENERAL OPERATIONS/SERVICES AND STATE INPATIENT SERVICES.
HIPAA	HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT
HSAG	HEALTH SERVICE ADVISORY GROUP

ACRONYM LIST

ACRONYMS..... AND THEIR DEFINITIONS
HSW	HABILITATION SERVICES WAIVER FOR DD CONSUMERS ENROLLED IN THE PROGRAM. STATE APPROVES THE ENROLLMENTS. AT LEAST TWO HSW SERVICES PER MONTH ARE REQUIRED TO QUALIFY FOR REVENUE.
IDDT	INTEGRATED DUAL DIAGNOSIS TREATMENT
IM	INFORMATION MANAGEMENT
IPOS	INDIVIDUAL PLAN OF SERVICE
IRB	INSTITUTIONAL REVIEW BOARD
ISCAT	INFORMATION SYSTEM CAPABILITY ASSESSMENT TOTAL
ISF	INTERNAL SERVICES FUND. THIS IS A RISK POOL CONSISTING OF MEDICAID FUNDS SET ASIDE TO COVER SHORTFALLS IN MEDICAID REVENUE
IST	INCOMPETENT TO STAND TRIAL
JCAHO	JOINT COMMISSION ON ACCREDITATION HEALTH CARE ORGANIZATION
LEP	LIMITED ENGLISH PROFICIENCY
LICENSED FACILITIES	SPECIALIZED RESIDENTIAL GROUP HOMES; ADULT FOSTER CARE HOME
LIP	LICENSED INDEPENDENT PRACTITIONER
MDCH	MICHIGAN DEPARTMENT OF COMMUNITY HEALTH
MEDICAID	CAPITATED REVENUE FOR ALL MEDICAID ELIGIBLE PERSONS BASED ON A CAPITATION CALCULATION USING AGE, GENDER, GEOGRAPHICAL FACTOR.
MEDICAID REVENUE	PIHP RECEIVES REVENUE BASED ON A CAPITATION CALCULATION THAT INCLUDES AGE, GENDER, POPULATION (MI, DD, SA), AND GEOGRAPHIC FACTOR. THE PIHP THEN ALLOCATES REVENUE TO EACH AFFILIATE BASED ON PRIOR YEAR SPENDING PATTERNS AND AVAILABLE FUNDING.
MI	MENTAL ILLNESS; PERSONS WITH A MENTAL ILLNESS
MMBPIS	MICHIGAN MISSION BASED PERFORMANCE INDICATOR SYSTEM
NGRI	NOT GUILTY BY REASON OF INSANITY
OBRA	OMNIBUS RECONCILIATION ACT
PCE	SOFTWARE VENDOR THAT WCHO CONTRACTS TO MAINTAIN AND DEVELOP ENCOMPASS AND EII
PCP	PRIMARY CARE PHYSICIAN
PCP	PERSON CENTERED PLANNING PROCESS USED TO CREATE AN IPOS
PI	PERFORMANCE IMPROVEMENT
PIHP	PREPAID INPATIENT HEALTH PROVIDER
QAAP TAX	PROVIDER TAX IS ASSESSED AT 6% OF MEDICAID REVENUE RECEIVED.
QAPIP	QUALITY ASSESSMENT PERFORMANCE IMPROVEMENT PROGRAM
QIP	QUALITY IMPROVEMENT PROCESS
RCAC	REGIONAL CONSUMER ADVISORY COUNCIL
RCC	REGIONAL COMPLIANCE COMMITTEE
RISK-BASED PROGRAMS	REVENUE IS LIMITED OR REIMBURSEMENT IS CAPPED. ANY COST IN EXCESS MUST BE COVERED WITH OTHER FUNDING.

ACRONYM LIST

ACRONYMS..... AND THEIR DEFINITIONS
SA	SUBSTANCE ABUSE
SAL	SERVICE ACTIVITY LOG
SMI	SEVERE MENTAL ILLNESS
STATE INPATIENT FACILITY	STATE PSYCHIATRIC HOSPITAL
SUPPORTED LIVING	SUPPORTED COMMUNITY LIVING; SUPPORTED EMPLOYMENT; RESPITE CARE
URC	UTILIZATION REVIEW COMMITTEE
YTD	YEAR TO DATE. INCLUDES DATA FROM THE START DATE OF THE FISCAL YEAR TO THE CURRENT REPORTING MONTH.

SECTION VII

Washtenaw Community Health Organization

ANNUAL BUDGET
Fiscal Year 2012-2013

Presented to the Board September 18, 2012

The Fiscal Picture, Consumer and
Community Needs, Program Plans, and
Future Challenges

WCHO MISSION STATEMENT

To provide leadership for the development and implementation of unique, effective models of integrated healthcare that create medical homes for persons with mental illness, developmental disabilities and substance abuse disorders; to disseminate learnings and continue to be a catalyst for change in our local, state and national community

WCHO ADMINISTRATIVE AND SERVICE DELIVERY SYSTEMS

Administrative Functions: Executive Level; Budget and Finance; Acquisition, Requirements, Compliance; Policy, Risk, Quality; Recipient Rights, Customer Services, Fair Hearings; Community Outreach; Information management; Service Delivery System; Utilization Review

ACCESS SYSTEM

Intake; Assessment; Crisis; Emergency Services

Provider Panel: Psychiatric Inpatient Hospitals; Licensed Facilities; Community Living Supports; Substance Abuse Core Providers

Community Support and Treatment Services (CSTS): Psychiatry; Nursing; Peer Supports; and Services for Individuals with a Severe Mental Illness, Developmental Disability, Serious Emotional Disturbance

Overview of Presentation

- Enabling Legislation
- Funding Sources
- Who we Serve
- Service Delivery System
- Budget Development 2013
- The Budget
- Board Action Requested

Enabling Legislation

- Washtenaw Community Health Organization (WCHO):
 - Mental Health Code, Act 258 of 1974
 - Urban Cooperation Act, Act 7, Sec. 124.501, 1967
- Community Mental Health Services Provider (CMHSP):
 - Section 232a of the Mental Health Code
- Pre-paid Inpatient Health Plan (PIHP):
 - Designated by the State
 - Four-County Region to manage Michigan's
 - Medicaid State Plan and
 - Federally-approved 1915(b) and 1915 (c) Waivers
- Substance Abuse Coordinating Agency:
 - Public Act 368

Funding Sources

- State General Funds
 - Formula-based funding designated for state inpatient utilization and for services provided to target populations
 - A 10% local match is required for certain services provided through this funding
- Medicaid
 - Funding is through a capitation system of actuarially-sound rates set within the level of Medicaid appropriation in the State's budget
 - Three funding streams are included in the State's Waiver Program:
 - State Plan Specialty Services
 - Additional Services [1915(b) Waiver]
 - Habilitation Services Waiver [1915(c)]
 - Capitation calculations are based on income and disability designations.
 - Enrolled as a Temporary Assistance for Needy Families [TANFs]
 - Enrolled as Disabled and Blind [DABs]
 - Age and Gender
 - Geographical Factor
 - Enrollment in the Habilitation Services Waiver

Funding Sources [continued]

- **Adult Benefit Waiver**
 - State-operated program under an Adult Benefit Waiver Section 1115 demonstration program.
 - Benefit is limited to selected services; services must meet medical necessity standards
 - Full-risk basis
 - Costs in excess of funding are covered by General Fund or Local dollars
 - Revenue in excess of costs may be carried into next year and used as local funds
- **Children's Waiver**
 - Fee-for-Service program where we invoice the state directly and are paid up to their Medicaid fee screen
 - State approves enrollment for a limited number of consumers and approves individual budgets
 - Current number served is 31
- **MI Child Program**
 - State provides the federal share as a capitated payment
 - General Funds are used for the remaining costs

Funding Sources [continued]

- **Substance Abuse**
 - Substance Abuse Prevention and Treatment Block Grant
 - PA2 of 1986 [COBO] Funding under the General Property Tax Act of 1893
 - Shared funding with County
 - Considered local but is designated for substance abuse treatment (no administration)
- **Grants and Earned Contracts**
 - Federal Block Grants through the State
 - Federal Grants
 - Private Grants
 - Earned contracts such as the Nursing Home Screen contract with the State; County of Financial Responsibility (COFR) contracts with other CMHSPs.
- **Specialty Services Fund**
 - Established at end of fiscal year FY2010.
 - To be used for special projects and as matching funds to leverage additional funding to maximize service delivery

Who We Serve

- Individuals who have a
 - Serious mental illness
 - Serious emotional disturbance
 - Developmental disability
 - Substance use disorder
- Medicaid Eligibles
 - Medicaid Beneficiaries that meet the above criteria and meet medical necessity standards
- Other enrolled programs:
 - Adult Benefit Waiver
 - Children’s Waiver
 - MI Child Program

Service Delivery System

- **Basic Organizational Structure**
 - **Administrative functions** are designed to support the service delivery and to meet all the legal and regulatory requirements of a managed care system. Core functions include:
 - Executive and Managing levels of operations
 - Budget and Finance
 - Provider Acquisition, Requirements, Compliance
 - Policy, Risk, Quality
 - Recipient Rights, Customer Services, Fair Hearings
 - Community Outreach
 - Information Management
 - Service System Management
 - **Service Delivery System** is designed to meet the changing needs of the individuals served through a network of contracted providers, Comprehensive Specialty Services Network (CSSN) and Washtenaw Community Support and Treatment Services (CSTS).
 - Basic philosophies include
 - Welcoming environment
 - Recovery-oriented system of care
 - Person-centered values

Service Delivery System [continued]

- **Substance Abuse Core Providers—the Recovery-Oriented System of Care (ROSC)**
 - ROSC was launched in FY2011 when three Core Providers were chosen to serve the Livingston and Washtenaw area:
 - Home of New Vision (Washtenaw)
 - Dawn Farm (Washtenaw)
 - Livingston Community Mental Health Authority (Livingston)
 - Core Providers are required to provide or arrange for services across the continuum of care
 - The service approach is to provide the least restrictive service and heavily emphasizes Peer Supports and Case Management over outpatient or residential services
 - Total number served is 9,455 individuals with 13,371 service encounters
 - Lenawee County will be added to the Livingston/Washtenaw CA in FY2013

Budget Development

- **Revenue Assumptions**
 - Medicaid is budgeted at FY12 levels for each funding bucket—State, b(3), and HSW
 - Eligibles as of June were considered
 - A Carry Forward amount of \$8 million was included
 - It is assumed that the Internal Service Fund will be fully funded
 - **General Funds**
 - General Funds is budgeted at FY12 level with no assumption of 236 Transfers from other counties
 - State inpatient cost continues to rise resulting in a larger percent of the authorization being earmarked for this purpose. Excess State inpatient authorization may be used for other allowed services

Budget Development [continued]

- Adult Benefit Waiver
 - Steady decline in revenue as a result of closed enrollment by MDCH
 - A 2% administration fee is retained from those ABW funds that are passed through to Affiliates and Substance Abuse Coordinating Agencies
 - Prior year carry forward (FY11 to FY12) is budgeted at \$436,000 and will be used for local funding requirements
- Other Revenue
 - County Appropriation to WCHO remains at the same level it has been for several years
 - CSTS' jail service program is funded by The County and the Sheriff's Department
 - First and Third Party revenue is budgeted conservatively at \$300,000
 - Affiliates reimburse WCHO about \$1 million for costs incurred on their behalf (e.g., Recipient Rights, Electronic Health Record)

Budget Development [continued]

- Expense Planning
 - Staffing
 - Personnel costs for WCHO were calculated at 95% of full cost (i.e., all positions filled for entire fiscal year)
 - Medicaid Allocations to the Service Network
 - The Medicaid allocations to the Service Network will be based on the new model developed by the WCHO with the help of an actuarial firm. Due to the expected surpluses of Medicaid, surplus payments are expected to be made to bring the funding level for each affiliate up to the FY12 level:
 - Lenawee \$13,105,690
 - Livingston \$16,654,674
 - Monroe \$21,927,040
 - Washtenaw \$55,274,792

Budget Development [continued]

- Substance Abuse
 - Lenawee County included starting in Fiscal Year 2013
 - Medicaid expenses budgeted at \$1,817,088
 - ABW expenses budgeted at \$215,247
- State General Funds
 - Service demand expected to continue to be greater than available funding will support.
 - Progress being made to reintegrate consumers out of State facilities and into the community
 - New model used in developing Washtenaw County service contract. More objective and based on expected service delivery at reasonable rates.
 - If mandated services exceed expectations, funding to support Washtenaw County service contract may not be available.

Budget Development [continued]

- Washtenaw County CSTS Funding
 - Medicaid State Plan - \$9,199,592
 - Medicaid b(3) - \$2,782,860
 - Medicaid HSW - \$8,533,593
 - State General Funds - \$3,914,824
 - Adult Benefit Waiver - \$255,879
 - Children's Waiver - \$163,784
 - MIChild - \$84,616
 - Total - \$24,935,147

The Budget for FY13

- Funds

- The WCHO has five separate Funds

- WCHO/PIHP
- Washtenaw/Livingston/Lenawee Substance Abuse Agency
- Specialty Services Fund
- Internal Services Fund

- The Total Agency Budget is \$147,044,034

- Mental Health 140,124,599
- Substance Abuse 6,919,436

The Budget for FY13

- Budgeted Services

- 7,319,823 units of service budgeted for a total cost of \$51,972,836

- Broken down by provider type

- Lead Agency (CSTS) – 1,289,618 units for \$24,925,307
- State Facilities – 6,360 units for \$1,406,818
- Community providers – 6,023,845 units for \$25,640,711

- Broken down by Funding Source

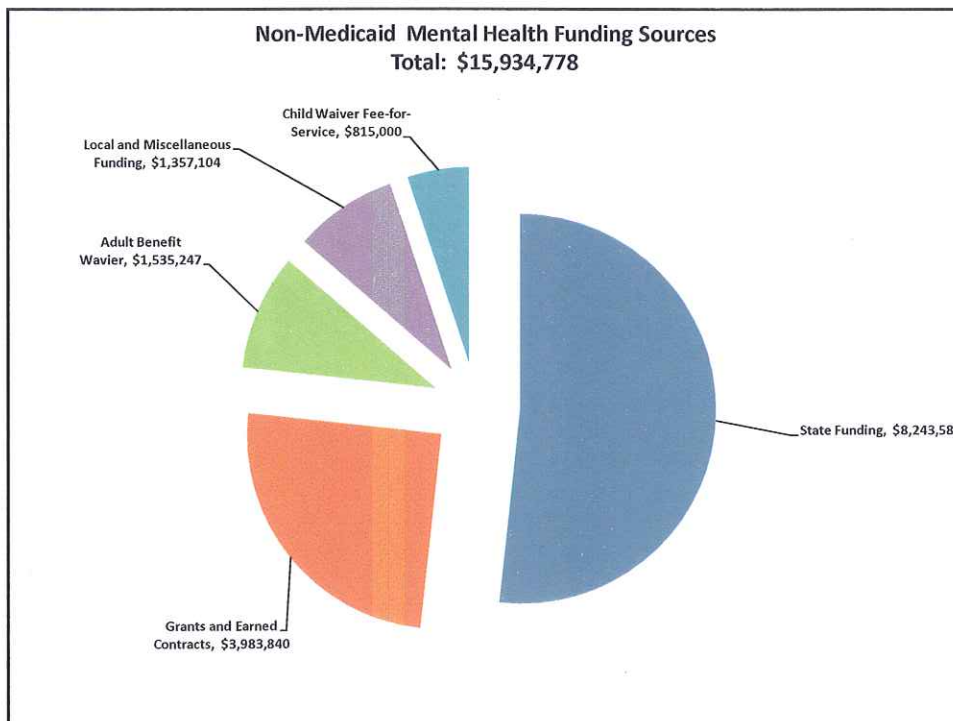
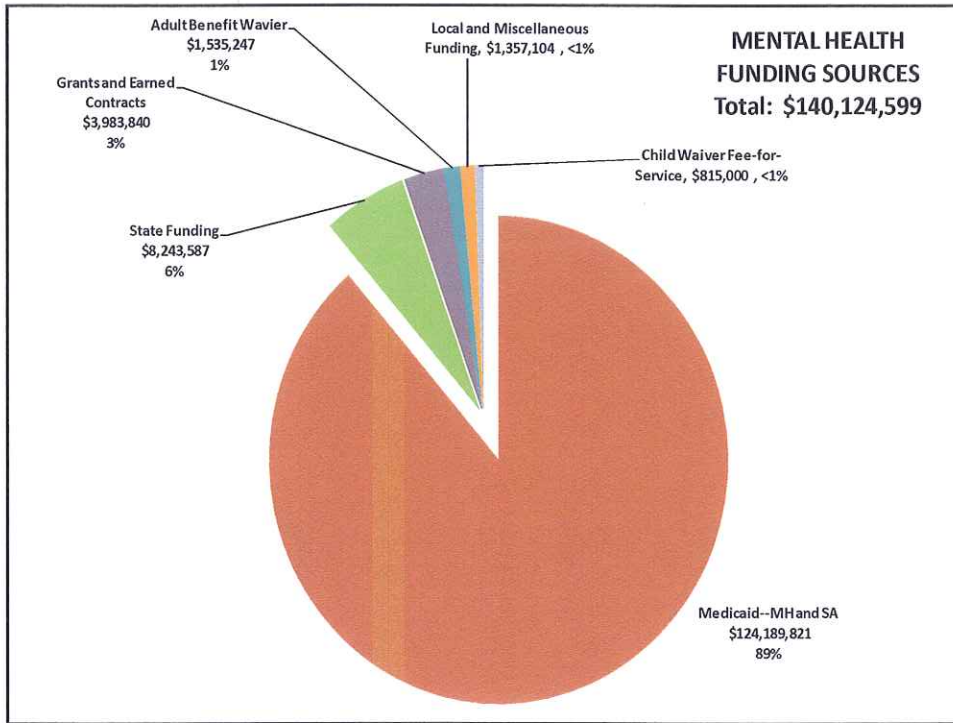
- Medicaid – 6,707,501 units for \$43,162,869
- State General Fund – 419,478 units for \$7,449,149
- Other Sources – 192,845 units for \$1,360,818

The Budget for FY13

- Budgeted Salaries and Fringes
 - Total Full Time Equivalents (FTEs) of 91.14
 - Total Salaries and Fringe cost of \$7,862,726
 - Mental Health – 84.64 FTEs for \$7,384,724 (92.7%)
 - Substance Abuse – 6.5 FTEs for \$478,002 (7.3%)
 - Total Salaries of \$4,801,996 (61.1%)
 - Total Fringes of \$3,060,730 (38.9%)

The Budget for FY13

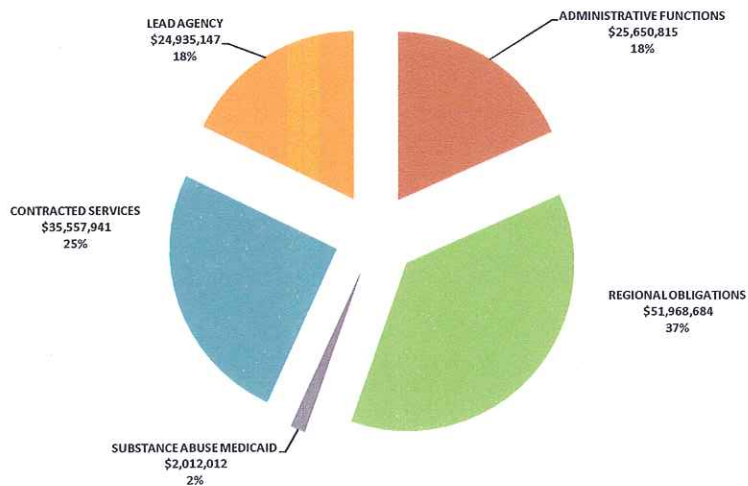
- Mental Health
 - Total budget for the WCHO/PIHP, including CSTS and the Medicaid transfer to Washtenaw/Livingston Substance Abuse Fund, is \$140,124,599
 - Funding Sources include
 - Medicaid (Mental Health and Substance Abuse) \$124,189,821
 - State General Funds \$ 8,243,587
 - Adult Benefit Waiver \$ 1,535,247
 - Child Waiver Fee-for-Service \$ 815,000
 - County and Local Funding \$ 1,357,104
 - Grants and Earned contracts \$ 3,983,840
 - Non-Medicaid revenue totals \$ 15,934,778



The Budget for FY13

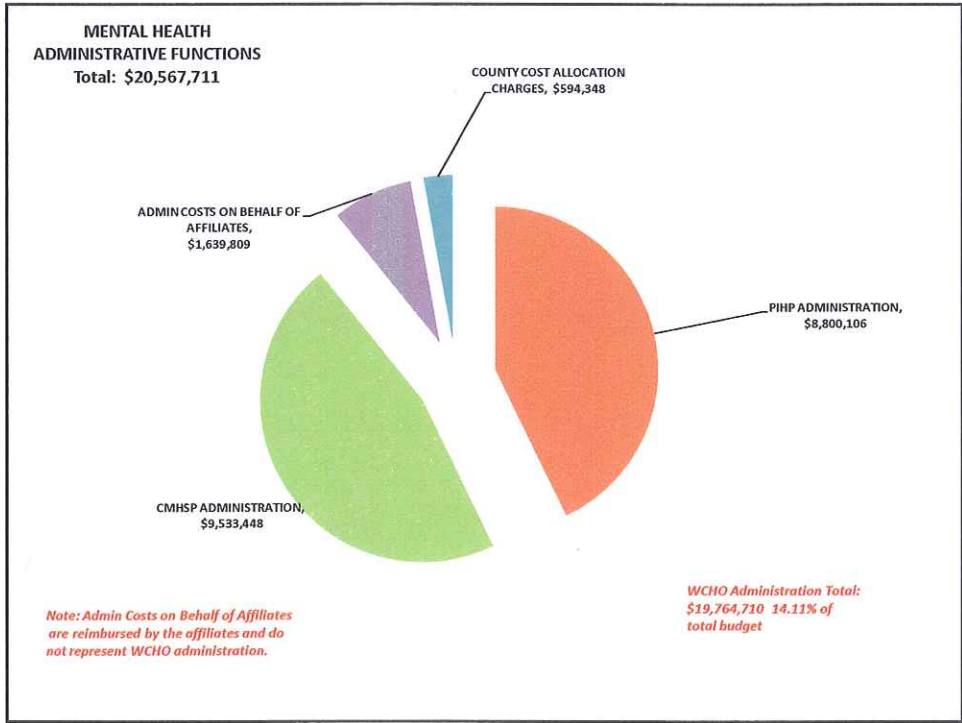
- WCHO Expenses--\$140,124,599
 - Lead Agency total is \$24,935,147
 - Other Contracted Services total \$35,557,941
 - Substance Abuse Medicaid for all three Coordinating Agencies totals \$2,012,012
 - Regional Medicaid, ABW and Their Local Support for Medicaid totals \$51,968,684
 - Administrative Functions total \$25,650,814

MENTAL HEALTH EXPENSES: Total: \$140,124,599



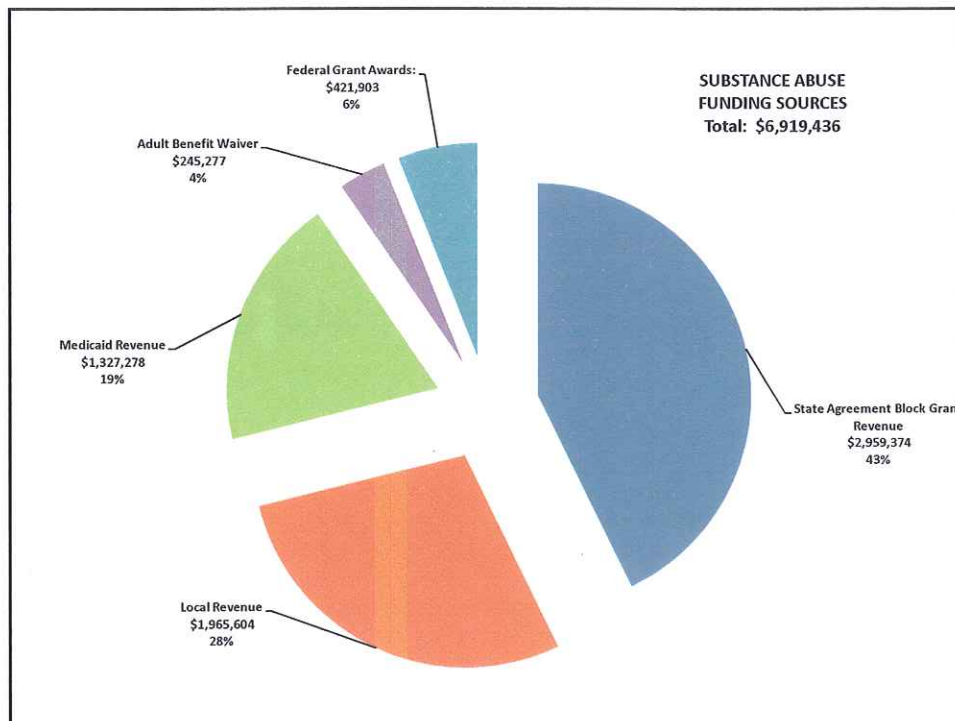
The Budget for FY13

- WCHO Administrative Function costs, including PIHP responsibilities for the four-county region, totals \$20,567,711 (14.67% of total)
 - The total for administration operating costs relating to Washtenaw responsibilities, the total is \$19,764,710 or 14.11% of total
 - Costs not related to the administrative functions for Washtenaw activities includes the
 - County Cost Allocation \$ 594,348
 - Admin costs on behalf of Affiliates 1,639,809



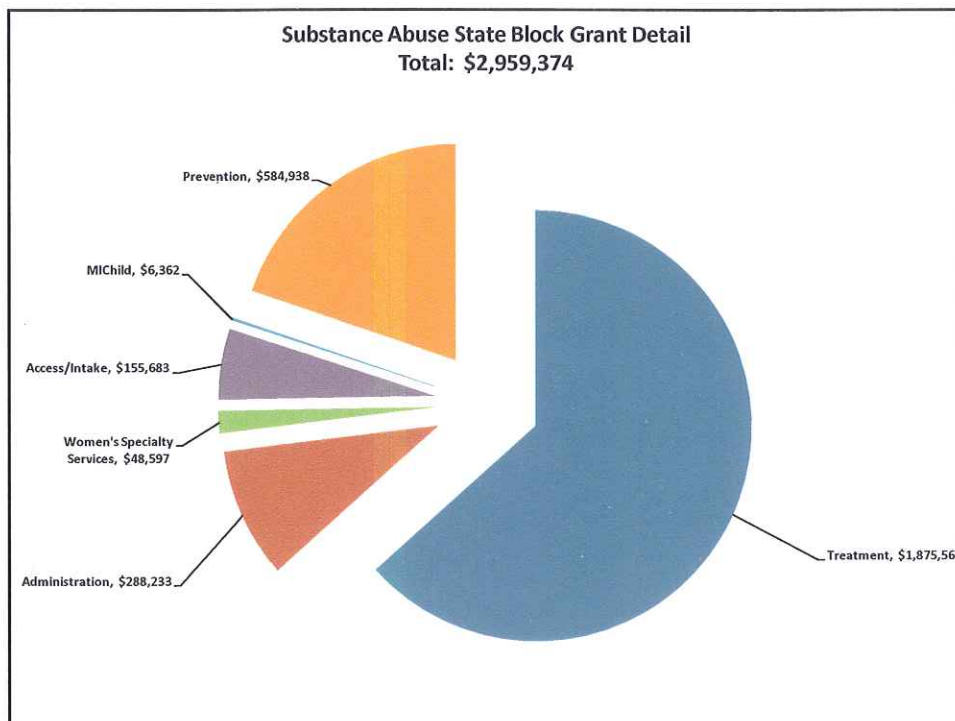
The Substance Abuse Budget for FY13

- Substance Abuse Revenue totals \$6,919,436
 - The Washtenaw-Livingston-Lenawee Substance Abuse Coordinating Agency is funded through state, federal, and local sources
 - State \$2,959,374
 - Federal Grants \$ 421,903
 - Adult Benefit Waiver \$ 245,277
 - Medicaid Revenue \$ 1,327,278
 - Local Revenue \$ 1,965,604



The Substance Abuse Budget for FY13

- The State Block Grant represents 43% of the total Substance Abuse Budget--\$2,959,374
- More than half of that amount is budgeted for treatment services--\$1,875,561
- Prevention is funded at \$584,938
- Earmarked funding for Women's Specialty services is budgeted at \$48,597
- Remaining amount includes
 - Administration
 - MI Child
 - Access Management System

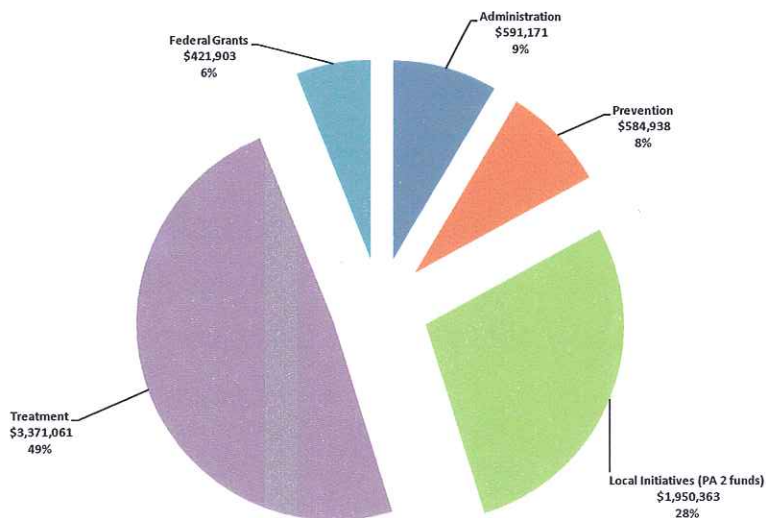


The Substance Abuse Budget for FY13

- **Substance Abuse Expenses**

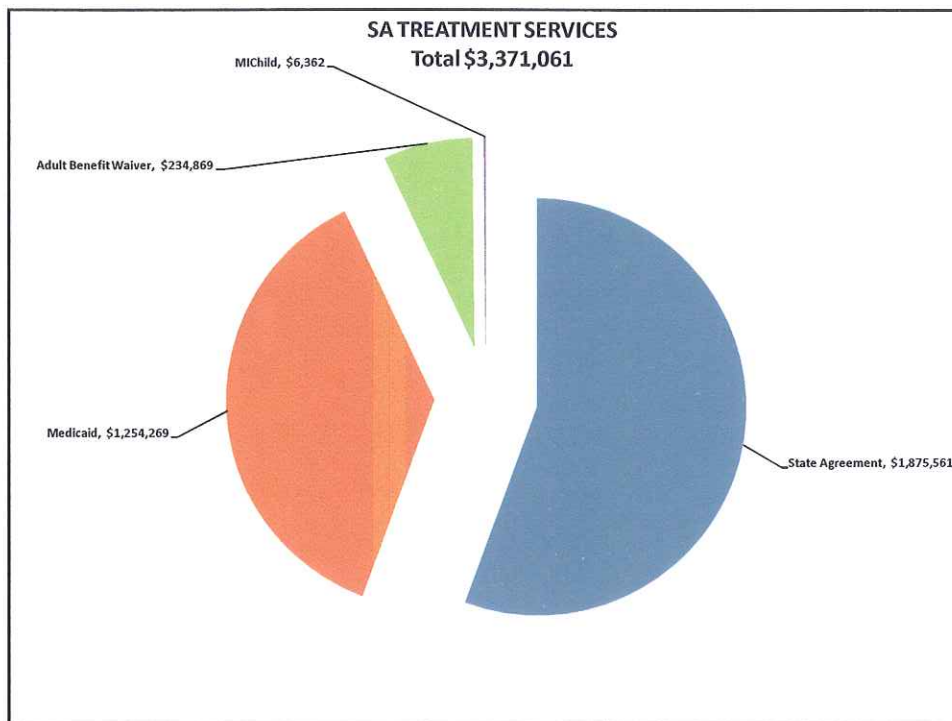
- The budget continues to support the Recovery-Oriented System of Care (ROSC) model that was implemented in FY10
- Administration is 9% of the total budget
- Federal Grants include Case Management services for high need individuals with a substance use disorder and the Screening, Brief Intervention, Referral and Treatment (SBIRT) grant—combined representing 6% of total budget
- Prevention is 8% of total expenses, 20% of the State Block Grant funding

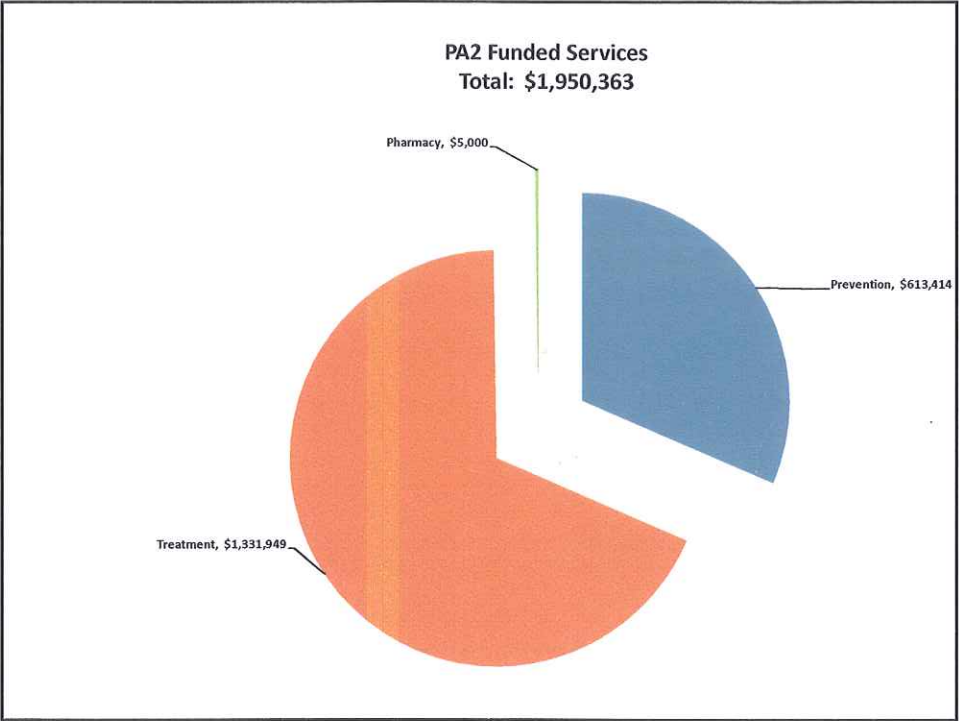
Substance Abuse Expenses--Fiscal Year 2012



The Substance Abuse Budget for FY13

- Treatment represents 49% of total expenses
 - Outpatient
 - Case Management
 - Early Intervention
 - Methadone
 - Detox
 - Residential
- Local Initiatives represents 21% of total expenses with the majority of funding from PA2 dollars
 - Engagement Center
 - Prevention
 - Pharmacy
 - Child Wraparound
 - Case Management





BOARD ACTION REQUESTED

- Reaffirm the Mission Statement
- Approve the Budget as presented