

**WASHTENAW COMMUNITY
HEALTH ORGANIZATION**

**COMMUNITY MENTAL HEALTH (CMH)
COMPLIANCE EXAMINATION**

FOR THE YEAR ENDED SEPTEMBER 30, 2008

WASHTENAW COMMUNITY HEALTH ORGANIZATION

Table of Contents

	<u>PAGE</u>
Independent Accountants' Report	1
Independent Accountants' Report on Compliance with Requirements Applicable to Medicaid and General Fund Programs and Internal Control Over Compliance in Accordance with <i>CMH Compliance Examination Guidelines</i> Issued by the Michigan Department of Community Health	2-3
Examined Financial Status Report Schedule – Revenues	4
Examined Financial Status Report Schedule – Expenditures	5
Examined Cost Settlement Schedule	6-15
Schedule of Findings and Questioned Costs	16-17

INDEPENDENT ACCOUNTANTS' REPORT

July 28, 2009

To the Board of Directors of the
Washtenaw Community Health Organization
Ypsilanti, Michigan

We have examined the Financial Status Report and Cost Settlement Schedule of *Washtenaw Community Health Organization* (WCHO), in accordance with the specified requirements described in *CMH Compliance Examination Guidelines*, issued by the Michigan Department of Community Health ("MDCH"), that are applicable to its Medicaid and General Fund programs for the year ended September 30, 2008. Compliance with these requirements is the responsibility of WCHO's management. Our responsibility is to express an opinion on WCHO's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about WCHO's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on WCHO's compliance with specified requirements.

In our opinion, WCHO's Financial Status Report and Cost Settlement Schedule referred to above complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2008.

This report is intended solely for the information and use of WCHO's board, management, and the Michigan Department of Community Health and is not intended to be and should not be used by anyone other than these specified parties.



**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO MEDICAID AND GENERAL FUND PROGRAMS
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH *CMH COMPLIANCE EXAMINATION GUIDELINES* ISSUED BY
THE MICHIGAN DEPARTMENT OF COMMUNITY HEALTH**

July 28, 2009

To the Board of Directors of the
Washtenaw Community Health Organization
Ypsilanti, Michigan

Compliance

We have examined the compliance of *Washtenaw Community Health Organization* (WCHO) with the specified requirements described in *CMH Compliance Examination Guidelines*, issued by the Michigan Department of Community Health (MDCH), that are applicable to its Medicaid and General Fund programs for the year ended September 30, 2008. Compliance with these requirements is the responsibility of WCHO's management. Our responsibility is to express an opinion on WCHO's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting WCHO's compliance with specified requirements based on specified criteria established by MDCH and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on WCHO's compliance with those requirements.

In our opinion, WCHO complied, in all material respects, with the specified requirements referred to above that are applicable to its Medicaid and General Fund programs for the year ended September 30, 2008.

Internal Control Over Compliance

The management of WCHO is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, and contracts applicable to its Medicaid and General Fund programs. In planning and performing our examination, we considered WCHO's internal control over compliance with the requirements that could have a direct and material effect on its Medicaid and General Fund programs in order to determine our examination procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of WCHO's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of the Medicaid or General Fund programs on a timely basis.

A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer the Medicaid or General Fund programs such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of the Medicaid or General Fund programs that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of the Medicaid or General Fund programs will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in WCHO's internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as described above.

This report is intended solely for the information and use of WCHO's board, management, and the Michigan Department of Community Health and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Lehmann Johnson".

Washtenaw Community Health Organization
EXAMINED FSR SCHEDULE
FYE 9/30/2008

REVENUES	REPORTED	EXAMINATION ADJUSTMENTS	ADJUSTED TOTALS
A. REVENUES NOT OTHERWISE REPORTED	\$ 4,059,769	\$ -	\$ 4,059,769
C. EARNED CONTRACTS (Non DCH) TOTAL	\$ 31,561	\$ -	\$ 31,561
1 CMH to CMH	31,561	-	31,561
2 Other	-	-	-
3 Medicaid Managed Care - CMHSP Affiliate	-	-	-
D. MI CHILD - MENTAL HEALTH	\$ 19,542	\$ -	\$ 19,542
D.1 ADULT BENEFITS WAIVER	\$ 613,677	\$ -	\$ 613,677
E. LOCAL FUNDING TOTAL	\$ 3,624,377	\$ -	\$ 3,624,377
1 Special Fund Account (226(a))	259,119	-	259,119
2 Title XX Replacement	19,065	-	19,065
3 All Other	2,458,361	-	2,458,361
4 Affiliate Local Contribution to State Medicaid Match Provided from CMHSP	887,832	-	887,832
F. RESERVE BALANCES - PLANNED FOR USE	\$ -	\$ -	\$ -
1 GF Carryforward-Sec. 226(2)(b)(c)	-	-	-
2 Medicaid Savings	-	-	-
3 Internal Service Fund - Abatement	-	-	-
4 Internal Service Fund - Risk Corridor	-	-	-
5 Other (205(4)(h)) - Reserves - Vested Employee Benefit / Depreciation	-	-	-
6 Stop/Loss Ins.	-	-	-
G. DCH EARNED CONTRACTS TOTAL	\$ 982,202	\$ -	\$ 982,202
1 PASARR	604,924	-	604,924
2 Block Grant for CMH Services	202,202	-	202,202
3 DD Council Grants	-	-	-
4 PATH/Homeless	175,076	-	175,076
5 Prevention	-	-	-
6 Aging	-	-	-
7 HUD Shelter Plus Care	-	-	-
8 Other DCH Earned Contracts	-	-	-
H. GROSS MEDICAID TOTAL	\$ 93,715,965	\$ -	\$ 93,715,965
1 Medicaid Specialty Managed Care	92,930,011	-	92,930,011
2 Medicaid - Children's Waiver Total	785,954	-	785,954
3 Medicaid - SED Waiver - Federal Dollars	-	-	-
I. REIMBURSEMENTS TOTAL	\$ 682,612	\$ -	\$ 682,612
1 1st and 3rd Party	682,612	-	682,612
2 SSI	-	-	-
J. STATE GENERAL FUNDS TOTAL	\$ 9,536,841	\$ -	\$ 9,536,841
1 CMH Operations	6,815,268	-	6,815,268
2 Categorical Funding	10,160	-	10,160
3 State Services Base	2,711,413	-	2,711,413
K. GRAND TOTAL REVENUES	\$ 113,266,546	\$ -	\$ 113,266,546
L. Estimated MDCH Obligation including Federal Medicaid (D + D1 + H + J)	\$ 103,886,025	\$ -	\$ 103,886,025

Washtenaw Community Health Organization
EXAMINED FSR SCHEDULE
FYE 9/30/2008

EXPENDITURES	REPORTED	EXAMINATION ADJUSTMENTS	ADJUSTED TOTALS
A. GROSS TOTAL EXPENDITURES	\$ 112,524,207	\$ -	\$ 112,524,207
B. EXPENDITURES NOT OTHERWISE REPORTED	\$ 3,424,231	\$ -	\$ 3,424,231
D. EARNED CONTRACTS (NON DCH) TOTAL	\$ 31,561	\$ -	\$ 31,561
1 CMH to CMH	31,561	-	31,561
2 Other Earned Contracts	-	-	-
3 Medicaid Managed Care - Affiliate	-	-	-
F. LOCAL TOTAL	\$ 1,998,302	\$ -	\$ 1,998,302
1 Local Cost for State Provided Services	420,522	-	420,522
2 Other Not Used As Local Match	-	-	-
3 Affiliate Local Contribution to State Medicaid Match Provided to PIHP	887,832	-	887,832
4 PIHP Contribution to State Medicaid Match Provided to DCH	689,948	-	689,948
5 Prior Year Carry-Forward	-	-	-
G. EXPENDITURES FROM RESERVE BALANCES	\$ -	\$ -	\$ -
1 GF Carryforward - Sec. 226(2)(b)(c)	-	-	-
2 Medicaid Savings	-	-	-
3 Internal Service Fund - Abatement	-	-	-
4 Other (205(4)(h)) - Reserves - Vested Employee Benefits / Depreciation	-	-	-
5 Stop/Loss Ins.	-	-	-
H. MDCH EARNED CONTRACTS TOTAL	\$ 982,202	\$ -	\$ 982,202
1 PASARR	604,924	-	604,924
2 Block Grant for CMH Services	202,202	-	202,202
3 DD Council Grants	-	-	-
4 PATH/Homeless	175,076	-	175,076
5 Prevention	-	-	-
6 Aging	-	-	-
7 HUD Shelter Plus Care	-	-	-
8 Other DCH Earned Contracts	-	-	-
I. MATCHABLE SERVICES (A minus B through H)	\$ 106,087,911	\$ -	\$ 106,087,911
J. PAYMENTS TO MDCH FOR STATE SERVICES	\$ 2,070,399	\$ -	\$ 2,070,399
K. SPECIALTY MANAGED CARE SERVICES TOTAL	\$ 93,092,049	\$ -	\$ 93,092,049
1 100% MDCH Matchable Services	87,847,005	-	87,847,005
2 All SSI and Other Reimbursements	162,038	-	162,038
3 Net MDCh Share for 100% Services (K.1 - K.2)	87,684,967	-	87,684,967
4 QAAP Expenditures	5,245,044	-	5,245,044
5 Total MDCH (K.3 + K.4)	92,930,011	-	92,930,011
L. GF CATEGORICAL AND FORMULA SERVICES TOTAL	\$ 9,262,729	\$ -	\$ 9,262,729
1 100% MDCH Matchable Services	4,220,871	-	4,220,871
2 All SSI and Other Reimbursements	1,067,146	(1,067,146)	-
3 Net GF and Formula for 100% Services (L1 - L2)	3,153,725	1,067,146	4,220,871
4 90/10 Matchable Services	5,041,858	-	5,041,858
5 Reimbursements	520,574	-	520,574
6 10% Local Match Funds	452,128	-	452,128
7 Net GF and Formula for 90/10 Services (L4 - L5 - L6)	4,069,156	-	4,069,156
8 Total MDCH GF and Formula (L3 + L7)	7,222,881	1,067,146	8,290,027
L.a MIChild Mental Health	\$ 76,228	\$ -	\$ 76,228
1 MIChild Mental Health - Capitation - Medicaid only	19,542	-	19,542
2 MIChild Mental Health - MDCH GF Operations Base	56,686	-	56,686
L.b Adult Benefits Waiver	\$ 617,491	\$ -	\$ 617,491
1 ABW - Capitation - Medicaid and State Match	613,677	-	613,677
2 ABW - MDCH GF Operations Base	3,814	-	3,814
L.c SED Waiver	\$ -	\$ -	\$ -
1 SED - Federal	-	-	-
2 SED - MDCH GF Operations Base	-	-	-
3 SED - Other	-	-	-
4 SED - Non-Federal Reimbursable - Other	-	-	-
M. CHILDREN'S WAIVER - TOTAL	\$ 969,015	\$ -	\$ 969,015
1 Medicaid	785,954	-	785,954
2 Other Reimbursements	183,061	(183,061)	-
3 MDCH GF Operations Base	-	183,061	183,061
O. TOTAL LOCAL FUNDS (F + L6)	\$ 2,450,430	\$ -	\$ 2,450,430
P. TOTAL MDCH SHARE OF EXPENDITURES (J+K5+L8+La+Lb+Lc1+Lc2+M1+M3)	\$ 103,702,964	\$ 1,250,207	\$ 104,953,171

CONTRACT RECONCILIATION AND CASH SETTLEMENT
SECTION A: SETTLEMENT SUMMARY

CMHSP: Washtenaw Community Health Organization
FISCAL YEAR: 2007/2008

		Matchable	Medicaid	Moe / Categorical	Sub-Total	Redirection of	Total	Total	Total
		Authorization	Expenditures	Savings	Expenditures	GF	Expenditures	Lapse	Risk Corridor
1. Medicaid									
a.	Maintenance of Effort	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	
b.	Specialty Managed Care	92,930,011	92,930,011	-	92,930,011	-	92,930,011	-	-
c.	Total Medicaid	\$ 92,930,011	\$ 92,930,011	\$ -	\$ 92,930,011	\$ -	\$ 92,930,011	\$ -	

		Matchable	GF	Moe / Categorical	Sub-Total	Redirection of	Total	Total	Total
		Authorization	Expenditures	Carry Forward	Expenditures	GF	Expenditures	Lapse	Risk Corridor
2. General Fund									
a.	Maintenance of Effort	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	
b.	Categorical	10,160	10,160	-	10,160		10,160	-	
c.	General Fund	9,526,681	10,593,827	-	10,593,827	-	10,593,827	-	(1,067,146)
d.	Total General Fund	\$ 9,536,841	\$ 10,603,987	\$ -	\$ 10,603,987	\$ -	\$ 10,603,987	\$ -	

		MDCH	SETTLEMENT	BALANCE DUE	EXAMINED	ORIGINAL STL	NET IMPACT
		COMMITMENT	CASH	(MDCH) / CMH	BALANCE DUE	BALANCE DUE	BALANCE DUE
					(MDCH) / CMH	(MDCH) / CMH	(MDCH) / CMH
3. CASH SETTLEMENT							
a.	Medicaid	\$ 92,930,011	\$ 92,930,011	\$ -	\$ -	\$ -	\$ -
b.	General Fund	9,536,841	9,536,841	-	-	-	-
c.	Total	\$ 102,466,852	\$ 102,466,852	\$ -	\$ -	\$ -	\$ -

MDCH Commitment is the lesser of Authorization less Forced Lapses or Total Expenditures

MEDICAID SAVINGS EARNED	
EXAMINED	\$ -
ORIGINAL SETTLEMENT	-
INCREASE (DECREASE)	\$ -
Comments:	

		CMHSP	Payments	Balance Due	EXAMINED	ORIGINAL STL	NET IMPACT
		Obligation	Sent MDCH	(MDCH) / CMH	Balance Due	BALANCE DUE	BALANCE DUE
					(MDCH) / CMH	(MDCH) / CMH	(MDCH) / CMH
4. State Purchased Services							
a.	State Facility	\$ 2,070,399	\$ 2,070,399	\$ -	\$ -	\$ -	\$ -

		Balance Due	EXAMINED	ORIGINAL STL	NET IMPACT
		(MDCH) / CMH	Balance Due	BALANCE DUE	BALANCE DUE
			(MDCH) / CMH	(MDCH) / CMH	(MDCH) / CMH
5. Miscellaneous					
a.	FY 07 Carry Forward	\$ -	\$ -	\$ -	\$ -
b.		-	-	-	-
c.	Sub-Total	\$ -	\$ -	\$ -	\$ -

GF CARRY FORWARD EARNED	
EXAMINED	\$ -
ORIGINAL SETTLEMENT	-
INCREASE (DECREASE)	\$ -
Comments:	

6. Total Cash Settlement		\$ -	\$ -	\$ -	\$ -
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**CONTRACT RECONCILIATION AND CASH SETTLEMENT
SECTION B: CARRY FORWARD & MEDICAID SAVINGS**

**CMHSP: Washtenaw Community Health Organization
FISCAL YEAR: 2007/2008**

1. Carry Forward - State Mental Health General Funds (Formula Funding)						
		Specialty Managed Care	GF Categorical & Formula	Children's Waiver	Sub-Total	Total
a.	Prior Year Carry Forward Earned					\$ -
b.	Current Year Expenditures					
1.	100% MDCH Matchable Services	\$ -	\$ -	\$ -	\$ -	-
2.	90/10% MDCH Matchable Services	-	-		-	-
3.	10% Local Match Funds	-	-		-	-
4.	Net State Share for 90/10% Services	-	-		-	-
5.	Total MDCH Share	\$ -	\$ -	\$ -	\$ -	-
c.	Unspent Carry Forward					\$ -

2. Medicaid Savings					
		FY	FY	FY	Total
a.	Prior Year Medicaid Savings Earned	\$ -	\$ -	\$ -	\$ -
b.	Current Year Expenditures	\$ -	\$ -	\$ -	\$ -
c.	Balance of Medicaid Savings:	\$ -	\$ -	\$ -	\$ -

d. Reinvestment Strategy - Medicaid Savings						
1.	Project Title	Approved Initiative	Actual Expenditures	Variance	Percentage	Concise Description Of Outcome(s) Achieved
			Amount			
a.		\$ -	\$ -	\$ -	0%	
b.		-	-	-	0%	
c.		-	-	-	0%	
d.	Total Reinvestment	\$ -	\$ -	\$ -	0%	

Footnote: If space provided for Reinvestment Strategy - Medicaid Savings is not sufficient, please attach additional sheet(s).

CONTRACT RECONCILIATION AND CASH SETTLEMENT
SECTION C: MAINTENANCE OF EFFORT (MOE) & CATEGORICAL WORKSHEET

CMHSP: Washtenaw Community Health Organization
FISCAL YEAR: 2007/2008

1. MOE - Totals Categories	Contract Authorization	Medicaid		General Fund		Total MOE Expenditures	Revised Authorizations		
		MOE Expenditures	Percent of Total Exp.	MOE Expenditures	Percent of Total Exp.		Medicaid	General Fund	Total
a. Ethnic Population	\$ -	\$ -	0.00%	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -
b. OBRA Active Treatment	-	-	0.00%	-	0.00%	-	-	-	-
c. OBRA Residential	-	-	0.00%	-	0.00%	-	-	-	-
d.	-	-	0.00%	-	0.00%	-	-	-	-
e. Residential Direct Care Wage #2	-	-	0.00%	-	0.00%	-	-	-	-
f. Total	\$ -	\$ -		\$ -		\$ -	\$ -	\$ -	\$ -

2. MOE - Medicaid Categories	Revised Authorization	MOE Requirement	MOE Expectation	Maximum Savings	MOE Expenditures	MOE Balance	Forced Lapse	Savings	Total MOE Exp. & C/F
a. Ethnic Population	\$ -	95.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. OBRA Active Treatment	-	95.00%	-	-	-	-	-	-	-
c. OBRA Residential	-	95.00%	-	-	-	-	-	-	-
d.	-	100.00%	-	-	-	-	-	-	-
e. Residential Direct Care Wage #2	-	100.00%	-	-	-	-	-	-	-
f. Total	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

3. MOE - General Fund Categories	Revised Authorization	MOE Requirement	MOE Expectation	Maximum C/F	MOE Expenditures	MOE Balance	Forced Lapse	Carry Forward	Total MOE Exp. & C/F
a. Ethnic Population	\$ -	95.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. OBRA Active Treatment	-	95.00%	-	-	-	-	-	-	-
c. OBRA Residential	-	95.00%	-	-	-	-	-	-	-
d.	-	100.00%	-	-	-	-	-	-	-
e. Residential Direct Care Wage #2	-	100.00%	-	-	-	-	-	-	-
f. Total	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

4. Recap-MOE	Total MOE Expenditures	Total MOE Savings - C/F	Total MOE LAPSE	Total MOE
a. Medicaid	\$ -	\$ -	\$ -	\$ -
b. General Fund	-	-	-	-
c. Total	\$ -	\$ -	\$ -	\$ -

Sections C.1 through C.4 are not required for FY 2008

5. Categorical - Categories	Authorizations	Expenditures	Lapse
a. Grant Pickup	\$ -	\$ -	\$ -
b. Respite - Tobacco Tax	10,160	10,160	-
c. Multicultural Services	-	-	-
d. Other Funding	-	-	-
e. "space holder"	-	-	-
f. Total	\$ 10,160	\$ 10,160	\$ -

CONTRACT RECONCILIATION AND CASH SETTLEMENT
SECTION D: STATE FACILITY WORKSHEET

CMHSP: Washtenaw Community Health Organization
FISCAL YEAR: 2007/2008

	Caro Center	Kalamazoo	W. Reuther	Hawthorn	Mt. Pleasant	Mt. Pleasant	Total
1. Days Of Care	\$389	\$365	\$299	\$185	\$173	\$488	

a.	State Report 16007-01							
1.	Days Of Care (10/19/05)	-	1,903	3,408	382	1,654	-	7,347
2.	Billed Costs	\$ -	\$ 694,595	\$ 1,018,992	\$ 70,670	\$ 286,142	\$ -	\$ 2,070,399

b.	CMHSP Reported							
1.	Days Of Care	-	1,903	3,408	382	1,654	-	7,347
2.	Billed Costs	\$ -	\$ 694,595	\$ 1,018,992	\$ 70,670	\$ 286,142	\$ -	\$ 2,070,399

c.	Narrative of any variances between State Report 16007-01 and the CMHSP Reported data. Data to include Client Name, Case Number, and Dates of Services:						

2. State Facility Cash Settlement	State Facility Cost	Payments Sent MDCH through 9/30	Payments Sent MDCH after 9/30	Total Payments Sent to MDCH	Balance Due (MDCH)/CMH
a. State Facility Total	\$ 2,070,399	\$ 1,789,489	\$ 280,910	\$ 2,070,399	\$ -

3. Reconciliation to FSR	Expenditures	Narrative of Variance
a. FSR Expenditures (Line J)	\$ 2,070,399	
b. State Facility Cost	2,070,399	
c. Variance	\$ -	

**CONTRACT RECONCILIATION AND CASH SETTLEMENT
SECTION E: SPECIALTY MANAGED CARE SERVICES WORKSHEET**

**CMHSP: Washtenaw Community Health Organization
FISCAL YEAR: 2007/2008**

1. Specialty Managed Care Savings Forward Calculation

a.	Specialty Managed Care Authorization (PEPM & Accrual):	\$ 92,930,011	d.	Medicaid Non-MOE Maximum Savings	\$ 6,969,751
b.	Less: MOE Authorization	-	e.	MOE Savings (From MOE Worksheet)	-
c.	Balance Used for Calculation of Savings	\$ 92,930,011	f.	Maximum Savings	\$ 6,969,751

Total Program Expenditures	Total Program Funding				Control Total	
	State Responsibility		Redirect GF	CMHSP Responsibility		
	Federal 58.10%	State 41.90%		Local		Other

2. Specialty Managed Care Expenditures

a. 100% Matchable Services							
1.	Total Program Expenditures (inc. QAAP)	\$ 93,092,049	\$ 53,992,336	\$ 38,937,675		\$ 162,038	\$ 93,092,049
2.	All SSI and Other Reimbursement	162,038					
3.	Net State Share 100% Services	92,930,011					
b. 90% Matchable Services							
1.	Total Program Expenditures	-	-	-		-	-
2.	Other Reimbursement	-					
3.	Sub-Total - Medicaid Base	-					
4.	Medicaid Federal Share	-					
5.	Sub-Total - Match Base	-					
6.	10% Local Match Funds	-					
7.	Net State Share 90/10 Services	-					
8.	Total Specialty Managed Care	\$ 93,092,049	\$ 53,992,336	\$ 38,937,675		\$ -	\$ 162,038

3. Specialty Managed Care Authorization to Expenditures

a.	State Authorization	\$ 92,930,011	\$ 53,992,336	\$ 38,937,675				\$ 92,930,011
b.	Local Funding / Other Reimbursements	162,038		-	-	-	162,038	162,038
c.	Total Specialty Managed Care Authorization	93,092,049	53,992,336	38,937,675	-	-	162,038	93,092,049
d.	Total Specialty Managed Care Expenditures	93,092,049	53,992,336	38,937,675			162,038	93,092,049
e.	Redirection of GF - From GF	-			-			-
f.	Redirection of Freed-Up GF - To GF	-			-			-
g.	Adjusted Expenditures	93,092,049	\$ 53,992,336	\$ 38,937,675	\$ -	\$ -	\$ 162,038	\$ 93,092,049
h.	Funding Surplus / (Deficit)	-						
i.	Less: Forced Lapse (MOE)	-						
j.	Sub-Total	-						
k.	Balance Available for Savings	-						
l.	State Obligation for Savings	-						
m.	Non-MOE Lapse	-						
n.	Risk Corridor	\$ -						

4. Recap

	Total Prog. Exp.	State Obligation	CMHSP / Other
a.	Recap: Total Authorization	\$ 93,092,049	\$ 162,038
b.	Recap: Total Matchable Expenditures	93,092,049	162,038
c.	Recap: Total Redirection	-	
d.	Recap: Total Savings	-	
e.	Recap: Forced Lapse MOE	-	
f.	Recap: Forced Lapse Non-MOE	-	
g.	Recap: Total Risk Corridor	\$ -	

CONTRACT RECONCILIATION AND CASH SETTLEMENT
SECTION EE: MEDICAID SAVINGS / MEDICAID LAPSE WORKSHEET

CMHSP: Washtenaw Community Health Organization
FISCAL YEAR: 2007/2008

1. Specialty Managed Care

a.	Operating Budget	\$	92,930,011	
1.	Band # 1 (100 - 105%)	5%	4,646,501	PIHP shall retain
2.	Band # 2 (105 - 110%)	5%	4,646,501	Shared PIHP / MDCH

b.	Balance Available for Savings (from Specialty Managed Care Worksheet)		-			
1.	Band # 1 Liability		-			
2.	Sub-Total - Band # 1		-			
3.	Band # 2 Liability		-			
4.	Sub-Total - Band # 2		-			
5.	Band # 3 Liability	\$	-			
6.	Totals					

	Medicaid Lapse	Medicaid Savings	Total Savings Corridor
	\$ -	\$ -	\$ -
	-	-	-
	-	-	-
	-	-	-
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -

CONTRACT RECONCILIATION AND CASH SETTLEMENT
SECTION F: GENERAL FUND WORKSHEET

CMHSP:
FISCAL YEAR:

Washtenaw Community Health Organization
2007/2008

1. GF Authorization / Carry-Forward Calculation

a.	CMH Operations Funding	\$ 6,815,268				g.	Less: MOE Authorization	\$ -
b.	Categorical Funding	10,160				h.	Less: Categorical Authorization	10,160
c.	DCH Risk Authorization	-				i.	Balance Used for Calculation of Carry-Forward	9,526,681
d.	State Facility Funding	2,711,413				j.	GF Carry-Forward (Non-MOE / Categorical)	476,334
e.	DD Center Adjustment	-				k.	MOE GF Carry-Forward (From MOE Worksheet)	-
f.	Total GF Authorization	\$ 9,536,841				l.	Maximum Carry-Forward	\$ 476,334

2. General Fund Expenditures	Total Program Expenditures	State	Redirect GF	CMHSP Responsibility		Control Total
				Local	Other	
a. 100% Matchable Services						
1. Total Program Expenditures (inc MICHild, ABW, SED, CW - GF)	\$ 4,464,432	\$ 4,464,432		\$ -		\$ 4,464,432
2. All SSI and Other Reimbursements	-					
3. Net State Share 100% Services	4,464,432					
b. 90% Matchable Services						
1. Total Program Expenditures	5,041,858	4,069,156		452,128	520,574	5,041,858
2. Other Reimbursements	520,574					
3. Sub-Total	4,521,284					
4. 10% Local Match Funds	452,128					
5. Net State Share 90/10 Services	4,069,156					
c. Liability for State Services	2,070,399	2,070,399				
d. Total GF & Local - Expenditures	\$ 11,576,689	\$ 10,603,987		\$ 452,128	\$ 520,574	\$ 11,576,689

3. General Fund Authorization to Expenditures

a.	State Authorization	\$ 9,536,841	\$ 9,536,841			\$ 9,536,841	
b.	Local Funding / Other Reimbursements	972,702		452,128	520,574	972,702	
c.	Total GF & Local Authorization	10,509,543	9,536,841	-	452,128	520,574	10,509,543
d.	Total GF & Local Expenditures	11,576,689	10,603,987		452,128	520,574	11,576,689
e.	Redirection of GF to Medicaid	-		-			-
f.	Redirection of Freed Up GF - From Medicaid	-		-			-
g.	Adjusted Expenditures	11,576,689	\$ 10,603,987	\$ -	\$ 452,128	\$ 520,574	\$ 11,576,689
h.	Funding Surplus / (Deficit)	(1,067,146)					
i.	Less: Forced Lapse (MOE & Categorical)	-					
j.	Sub-Total	(1,067,146)					
k.	Balance Available for Carry-Forward	-					
l.	State Obligation for Carry-Forward	-					
m.	Non-MOE Lapse	-					
n.	Risk Corridor	\$ (1,067,146)					

4. Recap

	Total Prog. Exp.	State Obligation	CMHSP / Other
a. Recap: Total Authorization	\$ 10,509,543	\$ 9,536,841	\$ 972,702
b. Recap: Total Matchable Expenditures	11,576,689	10,603,987	972,702
c. Recap: Total Redirection	-		
d. Recap: Total Carry Forward	-		
e. Recap: Forced Lapse MOE & Categorical	-		
f. Recap: Forced Lapse Non-MOE & Categorical	-		
g. Recap: Total Risk Corridor	\$ (1,067,146)		

CONTRACT RECONCILIATION AND CASH SETTLEMENT
SECTION G: RISK RESPONSIBILITY WORKSHEET

CMHSP: Washtenaw Community Health Organization
FISCAL YEAR: 2007/2008

1. Specialty Managed Care

a.	Operating Budget	\$	92,930,011	
1.	Band # 1 (100 - 105%)	5%	4,646,501	Full CMHSP Responsibility
2.	Band # 2 (105 - 110%)	5%	4,646,501	Shared State / CMHSP Responsibility

b.	Risk (from Specialty Managed Care Summary worksheet)	-					
1.	Band # 1 Liability	-			State Risk	Local Risk	Total Risk Corridor
2.	Sub-Total - Band # 1	-			\$ -	\$ -	\$ -
3.	Band # 2 Liability	-			-	-	-
4.	Sub-Total - Band # 2	-			-	-	-
5.	Band # 3 Liability	\$	-		-	-	-
6.	Totals				\$ -	\$ -	\$ -

2. General Fund

Effective October 1, 2005, MDCH/CMHSP Managed Mental Health Supports and Services Contract - Non-Medicaid no longer has a shared risk arrangement.

CONTRACT RECONCILIATION AND CASH SETTLEMENT
SECTION H: CHILDREN'S WAIVER

CMHSP: Washtenaw Community Health Organization
FISCAL YEAR: 2007/2008

For 2008 - Optional reporting only.

1. Prior Fiscal Year Reporting		Accounts Receivable At 9/30	Cash Received Current FY	Variance	Medicaid Claims Pending
a.	Services Provided October 1 - September 30	\$ -	\$ -	\$ -	\$ -

Informational Purposes Only

The Children's Waiver program remains on a Fee-For-Service basis. The information reported will be used to justify the accounts payable on the State's books for the outstanding liability.

2. Current Fiscal Year Cost		Number of Approved Waivers	Gross Cost Of Children's Waiver	Fee-For-Service Expenditures	Variance
a.	Services Provided October 1 - September 30	36	\$ 969,015	\$ 785,954	\$ 183,061

Informational Purposes Only

Comparing Medicaid screen reimbursement to actual Children's Waiver expenditures.

3. Current Fiscal Year Reporting		Fee-For-Service Expenditures	Fee-For-Service Cash Received	Amounts Billed and Not Received	Amounts Not Billed	Total Amount Due For Fee-For-Service
a.	Services Provided October 1 - September 30	\$ 785,954	\$ 509,363	\$ 67,542	\$ -	\$ 67,542

Informational Purposes Only

The Children's Waiver program remains on a Fee-For-Service basis. The information reported will be used to establish an accounts payable on the State's books for the outstanding liability.

**CONTRACT RECONCILIATION AND CASH SETTLEMENT
SECTION I: CASH AND ACCRUED REVENUE WORKSHEET**

**CMHSP:
FISCAL YEAR:**

**Washtenaw Community Health Organization
2007/2008**

1. Specialty Managed Care - Medicaid

a.	Current FY Capitation Payments Received through 9/30	\$ 93,266,271
b.	Current FY DD Center Adjustment	-
c.	* Current FY Accruals Established for Period Ending 9/30	(181,637)
d.	Sub-Total:	93,084,634
LESS		
e.	** Prior FY Accruals Established for period ending 9/30	154,623
f.	Total Current FY Settlement Accrued Revenue:	\$ 92,930,011

* Current FY Accrual Breakdown:	
FY 08 HSW Paid Thru	\$ 359,583
FY 08 HSW Open as of	-
Payment Sub-total:	359,583
FY 08 HSW Recoveries thru	(118,713)
FY 08 HSW Recoveries Open as of	(155,637)
FY 08 HSW Recoveries Open as of	(266,870)
Recovery Sub-total:	(541,220)
Total Accrual	\$ (181,637)

** Prior Year Accruals:	
AY 07 HSW	\$ 144,247
AY 06 HSW	10,376
Total Prior Year Accrual	\$ 154,623

2. General Fund (Formula and Categorical Funding)

a.	Current FY CMH Operations Funding Received through 9/30	\$ 6,815,268
b.	Current FY Categorical Funding Received through 9/30	10,160
c.	Current FY State Facility Funding Received through 9/30	2,711,413
d.	Sub-Total:	9,536,841
e.	Estimated Accruals	-
f.	Total Current FY GF Settlement Accrued Revenue:	\$ 9,536,841

WASHTENAW COMMUNITY HEALTH ORGANIZATION

Schedule of Findings and Questioned Costs

For the Year Ended September 30, 2008

SECTION I – SUMMARY OF ACCOUNTANTS’ RESULTS

Medicaid Program

Type of accountants’ report issued on compliance:	<u>Unqualified</u>		
Internal control over Medicaid program:			
Material weakness(es) identified?	_____ yes	<u> X </u> no	
Significant deficiency(s) identified not considered to be material weaknesses?	_____ yes	<u> X </u> none reported	
Material noncompliance with the provisions of laws, regulations, or contracts noted?	_____ yes	<u> X </u> no	
Known fraud identified?	_____ yes	<u> X </u> no	

General Fund Program

Type of accountants’ report issued on compliance:	<u>Unqualified</u>		
Internal control over General Fund program:			
Material weakness(es) identified?	_____ yes	<u> X </u> no	
Significant deficiency(s) identified not considered to be material weaknesses?	_____ yes	<u> X </u> none reported	
Material noncompliance with the provisions of laws, regulations, or contracts noted?	_____ yes	<u> X </u> no	
Known fraud identified?	_____ yes	<u> X </u> no	

SECTION II – FINDINGS AND QUESTIONED COSTS

None.

WASHTENAW COMMUNITY HEALTH ORGANIZATION

Schedule of Findings and Questioned Costs (Concluded)

For the Year Ended September 30, 2008

SECTION III – EXAMINATION ADJUSTMENTS

Expenditure FSR

Section L: GF Categorical and Formula Services

Line 2, 3 and 8 were initially reported as \$1,067,146, \$3,153,725 and \$7,222,881, respectively. However, the \$1,067,146 reported on line 2 did not truly represent SSI or an other reimbursement and should not have been reported on line 2. Therefore lines 2, 3 and 8 were adjusted to \$0, \$4,220,871 and \$8,290,027, respectively.

Section M: Children's Waiver

Line 2 and 3 were initially reported as \$183,061 and \$0, respectively. However, the \$183,061 was not a reimbursement and should have been reported on line 3. Therefore lines 2 and 3 were adjusted to \$0 and \$183,061, respectively.

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