

**WASHTENAW COMMUNITY
HEALTH ORGANIZATION**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2007



REHMANN ROBSON

Certified Public Accountants

WASHTENAW COMMUNITY HEALTH ORGANIZATION

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Internal Control Over Compliance

The management of the 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 the 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 the 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 the 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 the 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 black ink, reading "Lehmann Lohman". The signature is written in a cursive style with a large initial 'L'.

**Washtenaw Community Health Organization
EXAMINED FSR SCHEDULE
FYE 9/30/2007**

REVENUES		REPORTED	EXAMINATION ADJUSTMENTS	ADJUSTED TOTALS
A.	REVENUES NOT OTHERWISE REPORTED	\$4,771,145	\$0	\$4,771,145
C.	EARNED CONTRACTS (Non DCH) TOTAL	\$1,086	\$0	\$1,086
1	CMH to CMH	\$1,086	\$0	\$1,086
2	Other	\$0	\$0	\$0
3	Medicaid Managed Care - CMHSP Affiliate	\$0	\$0	\$0
3a	Medicaid Managed Care - CMHSP Affiliate FY06 Savings Carryforward	\$0	\$0	\$0
D.	MI CHILD - MENTAL HEALTH	\$22,028	\$0	\$22,028
D.1	ADULT BENEFITS WAIVER	\$694,977	\$0	\$694,977
E.	LOCAL FUNDING TOTAL	\$2,849,847	\$0	\$2,849,847
1	Special Fund Account (226(a))	\$42,134	\$0	\$42,134
2	Title XX Replacement	\$19,065	\$0	\$19,065
3	All Other	\$1,900,816	\$0	\$1,900,816
4	Affiliate Local Contribution to State Medicaid Match Provided from CMHSP	\$887,832	\$0	\$887,832
F.	RESERVE BALANCES - PLANNED FOR USE	\$111,253	\$0	\$111,253
1	GF Carryforward-Sec. 226(2)(b)(c)	\$111,253	\$0	\$111,253
2	Medicaid Savings	\$0	\$0	\$0
3	Internal Service Fund - Abatement	\$0	\$0	\$0
4	Internal Service Fund - Risk Corridor	\$0	\$0	\$0
5	Other (205(4)(h)) - Reserves - Vested Employee Benefit / Depreciation	\$0	\$0	\$0
6	Stop/Loss Ins.	\$0	\$0	\$0
G.	DCH EARNED CONTRACTS TOTAL	\$1,059,455	\$0	\$1,059,455
1	PASARR	\$477,365	\$0	\$477,365
2	Block Grant for CMH Services	\$413,215	\$0	\$413,215
3	DD Council Grants	\$0	\$0	\$0
4	PATH/Homeless	\$168,875	\$0	\$168,875
5	Prevention	\$0	\$0	\$0
6	Aging	\$0	\$0	\$0
7	HUD Shelter Plus Care	\$0	\$0	\$0
8	Other DCH Earned Contracts	\$0	\$0	\$0
H.	GROSS MEDICAID TOTAL	\$84,289,325	\$0	\$84,289,325
1	Medicaid Specialty Managed Care	\$83,659,877	\$0	\$83,659,877
2	Medicaid - Children's Waiver Total	\$629,448	\$0	\$629,448
I.	REIMBURSEMENTS TOTAL	\$133,756	\$0	\$133,756
1	1st and 3rd Party	\$133,756	\$0	\$133,756
2	SSI	\$0	\$0	\$0
J.	STATE GENERAL FUNDS TOTAL	\$9,269,096	\$0	\$9,269,096
1	CMH Operations	\$7,012,113	\$0	\$7,012,113
2	Categorical Funding	\$10,160	\$0	\$10,160
3	State Services Base	\$2,246,823	\$0	\$2,246,823
K.	GRAND TOTAL REVENUES	\$103,201,968	\$0	\$103,201,968
L.	Estimated MDCH Obligation including Federal Medicaid (D + D1 + H + J)	\$94,275,426	\$0	\$94,275,426

Washtenaw Community Health Organization
EXAMINED FSR SCHEDULE
FYE 9/30/2007

EXPENDITURES		REPORTED	EXAMINATION ADJUSTMENTS	ADJUSTED TOTALS
A.	GROSS TOTAL EXPENDITURES	\$103,123,296	\$0	\$103,123,296
B.	EXPENDITURES NOT OTHERWISE REPORTED	\$3,476,916	\$0	\$3,476,916
D.	EARNED CONTRACTS (NON DCH) TOTAL	\$1,086	\$0	\$1,086
1	CMH to CMH	\$1,086	\$0	\$1,086
2	Other Earned Contracts	\$0	\$0	\$0
3	Medicaid Managed Care - Affiliate	\$0	\$0	\$0
F.	LOCAL TOTAL	\$2,060,902	\$0	\$2,060,902
1	Local Cost for State Provided Services	\$483,122	\$0	\$483,122
2	Other Not Used As Local Match	\$0	\$0	\$0
3	Affiliate Local Contribution to State Medicaid Match Provided to PIHP	\$887,832	\$0	\$887,832
4	PIHP Contribution to State Medicaid Match Provided to DCH	\$689,948	\$0	\$689,948
5	Prior Year Carry-Forward (Local Match for CF of General Funds)	\$0	\$0	\$0
G.	EXPENDITURES FROM RESERVE BALANCES	\$111,253	\$0	\$111,253
1	GF Carryforward - Sec. 226(2)(b)(c)	\$111,253	\$0	\$111,253
2	Medicaid Savings	\$0	\$0	\$0
H.	MDCH EARNED CONTRACTS TOTAL	\$1,059,455	\$0	\$1,059,455
1	PASARR	\$477,365	\$0	\$477,365
2	Block Grant for CMH Services	\$413,215	\$0	\$413,215
3	DD Council Grants	\$0	\$0	\$0
4	PATH/Homeless	\$168,875	\$0	\$168,875
5	Prevention	\$0	\$0	\$0
6	Aging	\$0	\$0	\$0
7	HUD Shelter Plus Care	\$0	\$0	\$0
8	Other DCH Earned Contracts MDCH Housing Assistance	\$0	\$0	\$0
I.	MATCHABLE SERVICES (A minus B through H)	\$96,413,684	\$0	\$96,413,684
J.	PAYMENTS TO MDCH FOR STATE SERVICES	\$2,430,142	\$0	\$2,430,142
K.	SPECIALTY MANAGED CARE SERVICES TOTAL	\$84,349,390	\$0	\$84,349,390
1	100% MDCH Matchable Services	\$79,329,701	\$0	\$79,329,701
2	All SSI and Other Reimbursements	\$133,756	\$0	\$133,756
3	Net MDCh Share for 100% Services (K.1 - K.2)	\$79,195,945	\$0	\$79,195,945
4	QAAP Expenditures	\$5,019,689	\$0	\$5,019,689
5	Total MDCH (K.3 + K.4)	\$84,215,634	\$0	\$84,215,634
L.	GF CATEGORICAL AND FORMULA SERVICES TOTAL	\$7,922,406	\$0	\$7,922,406
1	100% MDCH Matchable Services	\$3,120,020	\$0	\$3,120,020
2	All SSI and Other Reimbursements	\$0	\$0	\$0
3	Net GF and Formula for 100% Services (L1 - L2)	\$3,120,020	\$0	\$3,120,020
4	90/10 Matchable Services	\$4,802,386	\$0	\$4,802,386
5	Reimbursements	\$377,994	\$0	\$377,994
6	10% Local Match Funds	\$442,439	\$0	\$442,439
7	Net GF and Formula for 90/10 Services (L4 - L5 - L6)	\$3,981,953	\$0	\$3,981,953
8	Total MDCH GF and Formula (L3 + L7)	\$7,101,973	\$0	\$7,101,973
L.a	MiChild Mental Health	\$57,208	\$0	\$57,208
1	MiChild Mental Health - Capitation - Medicaid only	\$22,028	\$0	\$22,028
2	MiChild Mental Health - MDCH GF Operations Base 30.53% of total min	\$35,180	\$0	\$35,180
L.b	Adult Benefits Waiver	\$791,541	\$0	\$791,541
1	ABW - Capitation - Medicaid and State Match	\$791,541	\$0	\$791,541
2	ABW - MDCH GF Operations Base	\$0	\$0	\$0
M.	CHILDREN'S WAIVER - TOTAL	\$862,997	\$0	\$862,997
1	Medicaid	\$629,448	\$0	\$629,448
2	Other Reimbursements	\$0	\$0	\$0
3	MDCH GF Operations Base	\$233,549	\$0	\$233,549
O.	TOTAL LOCAL FUNDS (F + L6)	\$2,503,341	\$0	\$2,503,341
P.	TOTAL MDCH SHARE OF EXPENDITURES (J + K5 + L8 + La + Lb + M1+M3)	\$95,459,495	\$0	\$95,459,495

CONTRACT RECONCILIATION AND CASH SETTLEMENT
SECTION A: SETTLEMENT SUMMARY

CMHSP: Washtenaw Community Health Organization
FISCAL YEAR: 2006/2007
SUBMISSION DATE:

1. Medicaid	Authorization	Matchable Expenditures	Medicaid Savings	Moe / Categorical Redistribution	Sub-Total Expenditures	Redirection of GF	Total Expenditures	Total Lapse	Total Risk Corridor
a. Maintenance of Effort	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
b. Specialty Managed Care	83,659,877	83,659,877	-	-	83,659,877	-	83,659,877	-	-
c. Total Medicaid	83,659,877	83,659,877	-	-	83,659,877	-	83,659,877	-	-

2. General Fund	Authorization	Matchable Expenditures	GF Carry Forward	Moe / Categorical Redistribution	Sub-Total Expenditures	Redirection of GF	Total Expenditures	Total Lapse	Total Risk Corridor
a. Maintenance of Effort	-	-	-	-	-	-	-	-	-
b. Categorical	10,160	10,160	-	-	10,160	-	10,160	-	-
c. General Fund	9,258,936	9,258,936	-	-	9,258,936	-	9,258,936	-	-
d. Total General Fund	9,269,096	9,269,096	-	-	9,269,096	-	9,269,096	-	-

3. CASH SETTLEMENT	MDCH COMMITMENT	SETTLEMENT CASH	EXAMINED BALANCE DUE (MDCH) / CMH	ORIGINAL STL BALANCE DUE (MDCH) / CMH	NET IMPACT BALANCE DUE (MDCH) / CMH
a. Medicaid	83,659,877	83,659,877	-	-	-
b. General Fund	9,269,096	9,269,096	-	-	-
c. Total	92,928,973	92,928,973	-	-	-

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

4. State Purchased Services	CMHSP Obligation	Payments Sent MDCH	EXAMINED Balance Due (MDCH) / CMH	ORIGINAL STL BALANCE DUE (MDCH) / CMH	NET IMPACT BALANCE DUE (MDCH) / CMH
a. State Facility	2,430,142	2,304,291	(125,851)	-	-

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

6. Total Cash Settlement	MDCH COMMITMENT	SETTLEMENT CASH	EXAMINED BALANCE DUE (MDCH) / CMH	ORIGINAL STL BALANCE DUE (MDCH) / CMH	NET IMPACT BALANCE DUE (MDCH) / CMH
	92,928,973	92,928,973	(125,851)	-	-

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

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

**CONTRACT RECONCILIATION AND CASH SETTLEMENT
SECTION B: CARRY FORWARD & MEDICAID SAVINGS**

**CMHSP: Washtenaw Community Health Organization
FISCAL YEAR: 2006/2007**

1. Carry Forward - State Mental Health General Funds (Formula Funding)					
	Specialty Managed Care	GF Categorical & Formula	Children's Waiver	Sub-Total	Total
a.	-	111,253.00	-	111,253.00	111,253.00
b. Current Year Expenditures					
1.	-	111,253.00	-	111,253.00	111,253.00
2.	-	-	-	-	-
3.	-	-	-	-	-
4.	-	-	-	-	-
5.	-	111,253.00	-	111,253.00	111,253.00
c. Unspent Carry Forward					
					-

2. Medicaid Savings			
	FY	FY	Total
a.	-	-	-
b.	-	-	-
c.	-	-	-
d.	Reinvestment Strategy - Medicaid Savings		

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

CONTRACT RECONCILIATION AND CASH SETTLEMENT

CMHSP: Washtenaw Community Health Organization

SECTION C: MAINTENANCE OF EFFORT (MOE) & CATEGORICAL WORKSHEET

FISCAL YEAR: 2006/2007

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.	MOE Expenditures	Percent of Total Exp.	Total MOE Expenditures	Medicaid	General Fund	Total
a. Ethnic Population	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -
b. OBRA Active Treatment	-	0.00%	-	0.00%	-	0.00%	-	-	-	-
c. OBRA Residential	-	0.00%	-	0.00%	-	0.00%	-	-	-	-
d. Residential Direct Care Wage #2	-	0.00%	-	0.00%	-	0.00%	-	-	-	-
f. Total	\$ -		\$ -		\$ -		\$ -	\$ -	\$ -	\$ -

2. MOE - Medicaid Categories	Revised Authorization	MOE Requirement	MOE Expectation	MOE Expenditures	Maximum Savings	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. Residential Direct Care Wage #2	-	100.00%	-	-	-	-	-	-	-
f. Total	\$ -		\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -

3. MOE - General Fund Categories	Revised Authorization	MOE Requirement	MOE Expectation	MOE Expenditures	Maximum C/F	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. 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	\$ -	\$ -	\$ -	\$ -

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: 2006/2007

		Caro Center	Kalamazoo	W. Reuther	Hawthorn	Mt. Pleasant	Mt. Pleasant	Total
		\$330	\$323	\$261	\$175	\$181	\$392	
1. Days Of Care								
a.	State Report 16007-01							
	1. Days Of Care (10/19/05)	-	1,107	5,400	655	2,009	171	9,342
	2. Billed Costs	\$ -	\$ 357,561	\$ 1,409,400	\$ 114,625	\$ 363,629	\$ 67,032	\$ 2,312,247
b.	CMHSP Reported							
	1. Days Of Care	-	1,472	5,400	655	2,009	171	9,707
	2. Billed Costs	\$ -	\$ 475,456	\$ 1,409,400	\$ 114,625	\$ 363,629	\$ 67,032	\$ 2,430,142

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:
 Kalamazoo - consumer Do, Nguyen (#217377) - 365 days x \$323 per day \$ 117,895

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	\$ 2,430,142	\$ 1,596,628	\$ 707,663	\$ 2,304,291
					\$ (125,851)

3. Reconciliation to FSR	Expenditures	Narrative of Variance
a.	FSR Expenditures (Line J)	\$ 2,430,142
b.	State Facility Cost	2,430,142
c.	Variance	\$ -

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

**CMHSP: Washtenaw Community Health Organization
FISCAL YEAR: 2006/2007**

1. Specialty Managed Care Savings Forward Calculation			
a.	Specialty Managed Care Authorization (PEPM & Accrual):	\$	83,659,877
b.	Less: MOE Authorization	-	-
c.	Balance Used for Calculation of Savings	\$	83,659,877
d.	Medicaid Non-MOE Maximum Savings	\$	6,274,491
e.	MOE Savings (From MOE Worksheet)	-	-
f.	Maximum Savings	\$	6,274,491

	Total Program Expenditures	Total Program Funding			Control Total				
		State Responsibility Federal 56.38%	State 43.62%	Redirect GF					
2. Specialty Managed Care Expenditures									
a. 100% Matchable Services									
1.	Total Program Expenditures (inc. QAAP)	\$	84,349,390	\$	36,492,438	\$	689,513	\$	84,349,390
2.	All SSI and Other Reimbursement		689,513						
3.	Net State Share 100% Services	\$	83,659,877						
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	\$	84,349,390	\$	47,167,439	\$	36,492,438	\$	689,513

3. Specialty Managed Care Authorization to Expenditures							
a.	State Authorization	\$	83,659,877	\$	36,492,438	\$	83,659,877
b.	Local Funding / Other Reimbursements		689,513		-		689,513
c.	Total Specialty Managed Care Authorization		84,349,390		36,492,438		84,349,390
d.	Total Specialty Managed Care Expenditures		84,349,390		36,492,438		84,349,390
e.	Redirection of GF - From GF		-		-		-
f.	Redirection of Freed-Up GF - To GF		-		-		-
g.	Adjusted Expenditures		84,349,390		36,492,438		84,349,390
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	\$	-		-		-

	Total Prog. Exp.	State Obligation	CMHSP / Other
4. Recap			
a.	Recap: Total Authorization	\$	84,349,390
b.	Recap: Total Matchable Expenditures	\$	83,659,877
c.	Recap: Total Redirection		689,513
d.	Recap: Total Savings		689,513
e.	Recap: Forced Lapse MOE		-
f.	Recap: Forced Lapse Non-MOE		-

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

CMHSP: Washtenaw Community Health Organization
FISCAL YEAR: 2006/2007

1. Specialty Managed Care

a.	Operating Budget	\$	83,659,877				
1.	Band # 1 (100 - 105%)	5%	4,182,994	PIHP shall retain			
2.	Band # 2 (105 - 110%)	5%	4,182,994	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: Washtenaw Community Health Organization
FISCAL YEAR: 2006/2007**

1. GF Authorization / Carry-Forward Calculation					
a.	CMH Operations Funding	\$	7,012,113		\$
b.	Categorical Funding		10,160		
c.	DCH Risk Authorization		-		
d.	State Facility Funding		2,246,823		
e.	DD Center Adjustment		-		
f.	Total GF Authorization	\$	9,269,096		\$
g.	Less: MOE Authorization				
h.	Less: Categorical Authorization				
i.	Balance Used for Calculation of Carry-Forward				10,160
j.	GF Carry-Forward (Non-MOE / Categorical)				9,258,936
k.	MOE GF Carry-Forward (From MOE Worksheet)				462,947
l.	Maximum Carry-Forward	\$			462,947

2. General Fund Expenditures											
		Total Program Expenditures	State	Redirect GF	CMHSP Responsibility Local	Other	Control Total				
a. 100% Matchable Services											
1.	Total Program Expenditures (inc MICHild, ABW, SED, CW - GF)	\$	3,388,749	\$	2,857,001			\$	531,748	\$	3,388,749
2.	All SSI and Other Reimbursements		531,748								
3.	Net State Share 100% Services		2,857,001								
b. 90% Matchable Services											
1.	Total Program Expenditures		4,802,386		3,981,953				442,439		4,802,386
2.	Other Reimbursements		377,994						377,994		
3.	Sub-Total		4,424,392								
4.	10% Local Match Funds		442,439								
5.	Net State Share 90/10 Services		3,981,953								
c.	Liability for State Services		2,430,142		2,430,142						
d.	Total GF & Local - Expenditures	\$	10,621,277	\$	9,269,096			\$	442,439	\$	10,621,277

3. General Fund Authorization to Expenditures									
a.	State Authorization	\$	9,269,096	\$	9,269,096			\$	9,269,096
b.	Local Funding / Other Reimbursements		1,352,181					442,439	1,352,181
c.	Total GF & Local Authorization		10,621,277		9,269,096			442,439	10,621,277
d.	Total GF & Local Expenditures		10,621,277		9,269,096			442,439	10,621,277
e.	Redirection of GF to Medicaid		-						-
f.	Redirection of Freed Up GF - From Medicaid		-						-
g.	Adjusted Expenditures		10,621,277		9,269,096			442,439	10,621,277
h.	Funding Surplus / (Deficit)		-						-
i.	Less: Forced Lapse (MOE & Categorical)		-						-
j.	Sub-Total		-						-
k.	Balance Available for Carry-Forward		-						-
l.	State Obligation for Carry-Forward		-						-
m.	Non-MOE Lapse		-						-
n.	Risk Corridor	\$	-						-

4. Recap		Total Prog. Exp.	State Obligation	CMHSP / Other	
a.	Recap: Total Authorization	\$	10,621,277	\$	1,352,181
b.	Recap: Total Matchable Expenditures		9,269,096		1,352,181
c.	Recap: Total Redirection		-		-
d.	Recap: Total Carry Forward		-		-
e.	Recap: Forced Lapse MOE & Categorical		-		-

CONTRACT RECONCILIATION AND CASH SETTLEMENT
SECTION G: RISK RESPONSIBILITY WORKSHEET

CMHSP: Washtenaw Community Health Organization
 FISCAL YEAR: 2006/2007

1. Specialty Managed Care

a.	Operating Budget	\$	83,659,877			
	1. Band # 1 (100 - 105%)	5%	4,182,994	Full CMHSP Responsibility		
	2. Band # 2 (105 - 110%)	5%	4,182,994	Shared State / CMHSP Responsibility		
b.	Risk (from Specialty Managed Care Summary worksheet)			State Risk	Local Risk	Total Risk Corridor
	1. Band # 1 Liability		-		-	-
	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: 2006/2007

For 2007 - 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	28	\$ 757,906.00	\$ 629,448.00	\$ 128,458.00

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	\$ 629,448.00	\$ 400,973.00	\$ 228,475.00	\$ -	\$ 228,475.00

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

CMHSP:
FISCAL YEAR:

Washtenaw Community Health Organization
2006/2007

1. Speciality Managed Care - Medicaid

a.	Current FY Capitation Payments Received through 9/30	\$	83,481,236
b.	Current FY DD Center Adjustment		-
c.	* Current FY Accruals Established for Period Ending 9/30		178,641.00
d.	Sub-Total:		83,659,877
	LESS		
e.	** Prior FY Accruals Established for period ending 9/30		-
f.	Total Current FY Settlement Accrued Revenue:	\$	83,659,877

* Current FY Accrual Breakdown:	
FY 07 HSW Paid Thru	313,479.0
FY 07 HSW Open as of	-
Payment Sub-total:	313,479.0
FY 07 HSW Recoveries thru	(134,838.0)
FY 07 HSW Recoveries Open as of	-
Recovery Sub-total:	(134,838.0)
Total Accrual	178,641.0

** Prior Year Accruals:	
AY 06 HSW	-
AY 05 HSW	-
Total Prior Year Accrual	-

2. General Fund (Formula and Categorical Funding)

a.	Current FY CMH Operations Funding Received through 9/30	\$	7,012,113
b.	Current FY Categorical Funding Received through 9/30		10,160
c.	Current FY State Facility Funding Received through 9/30		2,246,823
d.	Sub-Total:		9,269,096
e.	Estimated Accruals		-
f.	Total Current FY GF Settlement Accrued Revenue:	\$	9,269,096

WASHTENAW COMMUNITY HEALTH ORGANIZATION

Schedule of Findings and Questioned Costs

For the Year Ended September 30, 2007

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

2007-1 Support for allocation of Payroll Expenditures – Immaterial Noncompliance

During the course of the Single audit it came to our attention that salaries for employee working on multiple federal and nonfederal cost objectives were being charged to the Medical Assistance Program based on budgeted rather than actual hours spent on that program. This situation, which was significant to the specific federal program, also has a trickle down affect on the Medicaid and General Fund programs as the remainder of the salaries referred to above should have been allocated to these two programs. However, due to the much larger size of the Medicaid and General Fund programs, we do not believe the affect of these allocated salaries to be significant.

WASHTENAW COMMUNITY HEALTH ORGANIZATION

Schedule of Findings and Questioned Costs (Concluded)

For the Year Ended September 30, 2007

SECTION II – FINDINGS AND QUESTIONED COSTS (CONCLUDED)

2007-2 **Inadequate Approval for Use of Consumer Funds – Immaterial Noncompliance**

The MDCH has interpreted the compliance examination guidelines that refer to consumer funds to include consumer funds held by providers. The WCHO performs site visits for all providers in the affiliation. These visits include counts and reconciliations of all consumer funds held by the provider. During our audit procedures, we selected one consumer from eight providers and obtained the activity logs of the consumer's accounts. We noted that two of the eight consumers tested did not have any signatures documenting the approval of fund withdrawals during the time period tested. While one of these consumers tested did fall under WCHO's jurisdiction, the other was located at a provider under Lenawee Community Mental Health Authority's jurisdiction.

SECTION III – EXAMINATION ADJUSTMENTS

None.

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