

North Country Community Mental Health

CMH COMPLIANCE EXAMINATION

September 30, 2009

CONTENTS

Page

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MEDICAID AND GF PROGRAMS AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH <i>CMH COMPLIANCE EXAMINATION GUIDELINES</i> ISSUED BY THE MICHIGAN DEPARTMENT OF COMMUNITY HEALTH	1
EXAMINED FSR SCHEDULE - REVENUES	3
EXAMINED FSR SCHEDULE - EXPENDITURES	4
EXAMINED COST SETTLEMENT SCHEDULE	5-14
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	15



415 Munson Avenue, P.O. Box 947
Traverse City, Michigan 49685-1947
231.946.1722 ph, 231.946.2762 fax
www.dgncpa.com

Thomas E. Gartland, CPA
Brad P. Niergarth, CPA
James G. Shumate, CPA
Robert C. Thompson, CPA
Michael D. Shaw, CPA
Mary F. Krantz, CPA
Shelly K. Bedford, CPA
Heidi M. Wendel, CPA
Stephen D. Gallagher, CPA

**INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO MEDICAID AND GF PROGRAMS
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH *CMH COMPLIANCE EXAMINATION GUIDELINES* ISSUED BY
THE MICHIGAN DEPARTMENT OF COMMUNITY HEALTH**

To the Board of Directors of
North Country Community Mental Health

Compliance

We have examined the compliance of the North Country Community Mental Health (the “Authority”) 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 GF Programs for the year ended September 30, 2009. Compliance with these requirements is the responsibility of the Authority’s management. Our responsibility is to express an opinion on the Authority’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 the Authority’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 the Authority’s compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the specified requirements referred to above that are applicable to its Medicaid and GF Programs for the year ended September 30, 2009. However, the results of our auditing procedures disclosed an immaterial instance of noncompliance with those requirements which is required to be reported in accordance with MDCH Compliance Examination Guidelines and which is described in the accompanying schedule of findings and questioned costs as item 2009-1.

Member of



415 Munson Avenue, Post Office Box 947
Traverse City, Michigan 49685-0947
231.946.1722, FAX: 231.946.2762
www.dgncpa.com

Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations and contracts applicable to its Medicaid and GF Programs. In planning and performing our examination, we considered the Authority's internal control over compliance with the requirements that could have a direct and material effect on its Medicaid and GF 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 Authority'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 GF 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 GF Programs such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of the Medicaid or GF 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 GF 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 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 defined above.

The Authority's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Authority's response and, accordingly, we express no opinion on it.

Examination Schedules

As required by CMH Compliance Examination Guidelines, we have prepared the accompanying Examined FSR Schedule and Examined Cost Settlement Schedule.

This report is intended solely for the information and use of the Authority'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.

Dennis, Gartland & Niergarth

CMHSP NORTH COUNTRY COMMUNITY MENTAL HEALTH
EXAMINED FSR SCHEDULE
FYE 9/30/2009

REVENUES	REPORTED	EXAMINATION ADJUSTMENTS	ADJUSTED TOTALS
A. REVENUES NOT OTHERWISE REPORTED	\$197,405	\$0	\$197,405
C. EARNED CONTRACTS (Non DCH) TOTAL	\$742,843	\$0	\$742,843
1 CMH to CMH	669,461		669,461
2 Other	73,382		73,382
3 Medicaid Managed Care - CMHSP Affiliate	0		0
D. MI CHILD - MENTAL HEALTH	\$39,362	\$0	\$39,362
D.1 ADULT BENEFITS WAIVER	\$454,464	\$0	\$454,464
E. LOCAL FUNDING TOTAL	\$1,344,161	\$0	\$1,344,161
1 Special Fund Account (226(a))	170,318		170,318
2 Title XX Replacement	6,264		6,264
3 All Other	767,419		767,419
4 Affiliate Local Contribution to State Medicaid Match Provided from CMHSP	400,160		400,160
F. RESERVE BALANCES - PLANNED FOR USE	\$1,598,879	\$0	\$1,598,879
1 GF Carryforward-Sec. 226(2)(b)(c)	28,039		28,039
2 Medicaid Savings	0		0
3 Internal Service Fund - Abatement	7,730		7,730
4 Internal Service Fund - Risk Corridor	1,563,110		1,563,110
5 Other (205(4)(h)) - Reserves - Vested Employee Benefit / Depreciation	0		0
6 Stop/Loss Ins.	0		0
G. DCH EARNED CONTRACTS TOTAL	\$320,815	\$0	\$320,815
1 PASARR	72,045		72,045
2 Block Grant for CMH Services	115,921		115,921
3 DD Council Grants	9,706		9,706
4 PATH/Homeless	0		0
5 Prevention	0		0
6 Aging	44,021		44,021
7 HUD Shelter Plus Care	0		0
8 Other DCH Earned Contracts (Supportive Housing Grant)	73,463		73,463
9 Other DCH Earned Contracts (Housing Assistance Grant)	5,659		5,659
H. GROSS MEDICAID TOTAL	\$58,962,652	\$0	\$58,962,652
1 Medicaid Specialty Managed Care	58,949,261		58,949,261
2 Medicaid - Children's Waiver Total	13,391		13,391
3 Medicaid - SED Waiver - Federal Dollars	0		0
I. REIMBURSEMENTS TOTAL	\$105,578	\$0	\$105,578
1 1st and 3rd Party	9,166		9,166
2 SSI	96,412		96,412
J. STATE GENERAL FUNDS TOTAL	\$5,270,213	\$0	\$5,270,213
1 CMH Operations	4,463,727		4,463,727
2 Categorical Funding	165,808		165,808
3 State Services Base	640,678		640,678
K. GRAND TOTAL REVENUES	\$69,036,372	\$0	\$69,036,372
L. Estimated MDCH Obligation including Federal Medicaid (D + D1 + H + J)	\$64,726,691	\$0	\$64,726,691

PLEASE NOTE: CATEGORICAL RECEIVED \$165,808, CATEGORICAL SPENT \$30,058; UNSPENT CATEGORICAL \$135,750 ALL ASSOCIATED WITH COURT GRANT.

CMHSP NORTH COUNTRY COMMUNITY MENTAL HEALTH
EXAMINED FSR SCHEDULE
FYE 9/30/2009

EXPENDITURES		REPORTED	EXAMINATION ADJUSTMENTS	ADJUSTED TOTALS
A.	GROSS TOTAL EXPENDITURES	\$68,803,603	\$0	\$68,803,603
B.	EXPENDITURES NOT OTHERWISE REPORTED	\$197,407	\$0	\$197,407
D.	EARNED CONTRACTS (NON DCH) TOTAL	\$742,843	\$0	\$742,843
1	CMH to CMH	669,461		669,461
2	Other Earned Contracts	73,382		73,382
3	Medicaid Managed Care - Affiliate	0		0
F.	LOCAL TOTAL	\$946,042	\$0	\$946,042
1	Local Cost for State Provided Services	77,175		77,175
2	Other Not Used As Local Match	34,556		34,556
3	Affiliate Local Contribution to State Medicaid Match Provided to PIHP	400,160		400,160
4	PIHP Contribution to State Medicaid Match Provided to DCH	431,036		431,036
5	Prior Year Carry-Forward	3,115		3,115
G.	EXPENDITURES FROM RESERVE BALANCES	\$1,598,879	(\$1,563,110)	\$35,769
1	GF Carryforward - Sec. 226(2)(b)(c)	28,039		28,039
2	Medicaid Savings	0		0
3	Internal Service Fund - Abatement	7,730		7,730
4	Other (205(4)(h)) - Reserves - Vested Employee Benefits / Depreciation	0		0
5	Stop/Loss Ins.	1,563,110	-1,563,110	0
H.	MDCH EARNED CONTRACTS TOTAL	\$335,860	\$0	\$335,860
1	PASARR	72,045		72,045
2	Block Grant for CMH Services	115,921		115,921
3	DD Council Grants	10,478		10,478
4	PATH/Homeless	0		0
5	Prevention	0		0
6	Aging	58,294		58,294
7	HUD Shelter Plus Care	0		0
8	Other DCH Earned Contracts (Supportive Housing Grant)	73,463		73,463
9	Other DCH Earned Contracts (Housing Assistance Grant)	5,659		5,659
I.	MATCHABLE SERVICES (A minus B through H)	\$64,982,572	\$1,563,110	\$66,545,682
J.	PAYMENTS TO MDCH FOR STATE SERVICES	\$313,714	\$0	\$313,714
K.	SPECIALTY MANAGED CARE SERVICES TOTAL	\$59,033,390	\$1,563,110	\$60,596,500
1	100% MDCH Matchable Services	55,663,534	1,563,110	57,226,644
2	All SSI and Other Reimbursements	84,129		84,129
3	Net MDCH Share for 100% Services (K.1 - K.2)	\$55,579,405	\$1,563,110	57,142,515
4	QAAP Expenditures	3,369,856		3,369,856
5	Total MDCH (K.3 + K.4)	\$58,949,261	\$1,563,110	60,512,371
L.	GF CATEGORICAL AND FORMULA SERVICES TOTAL	\$5,265,404	\$0	\$5,265,404
1	100% MDCH Matchable Services	959,839		959,839
2	All SSI and Other Reimbursements	21,450		21,450
3	Net GF and Formula for 100% Services (L1 - L2)	\$938,389	\$0	938,389
4	90/10 Matchable Services	4,305,565		4,305,565
5	Reimbursements	0		0
6	10% Local Match Funds	430,557	\$0	430,557
7	Net GF and Formula for 90/10 Services (L4 - L5 - L6)	\$3,875,008	\$0	3,875,008
8	Total MDCH GF and Formula (L3 + L7)	\$4,813,397	\$0	4,813,397
L.a	MIChild Mental Health	\$45,101	\$0	\$45,101
1	MIChild Mental Health - Capitation - Medicaid only	\$32,559		32,559
2	MIChild Mental Health - MDCH GF Operations Base	\$12,542		12,542
L.b	Adult Benefits Waiver	\$307,991	\$0	\$307,991
1	ABW - Capitation - Medicaid and State Match	\$307,991		307,991
2	ABW - MDCH GF Operations Base	\$0		0
L.c	SED Waiver	\$0	\$0	\$0
1	SED - Federal			0
2	SED - MDCH GF Operations Base			0
3	SED - Other			0
4	SED - Non-Federal Reimbursable - Other			0
M.	CHILDREN'S WAIVER - TOTAL	\$16,972	\$0	\$16,972
1	Medicaid	13,392		13,392
2	Other Reimbursements			0
3	MDCH GF Operations Base	3,580		3,580
O.	TOTAL LOCAL FUNDS (F + L6)	\$1,376,599	\$0	\$1,376,599
P.	TOTAL MDCH SHARE OF EXPENDITURES (J+K5+L8+La+Lb+Lc1+Lc2+M1+M3)	\$64,446,436	\$1,563,110	\$66,009,546

PLEASE NOTE: STATE GENERAL FUND CATEGORICAL EXPENDITURES FROM 10/1/08 TO 9/30/09 ARE \$30,058. OTHER STATE GENERAL FUND EXPENDITURES FROM 10/1/08 TO 9/30/09 ARE \$5,113,175. NON-CATEGORICAL STATE GENERAL FUNDS RECEIVED WERE \$5,104,450, RESULTING IN AN ONVER-EXPENDITURE OF STATE GENERAL FUNDS IN THE AMOUNT OF \$8,770. CATEGORICAL FUNDS RECEIVED WERE \$165,808. UNSPENT CATEGORICAL FUNDS TO BE RETURNED TO DCH ARE \$135,750.

**EXAMINED COST SETTLEMENT SCHEDULE
SECTION A: SETTLEMENT SUMMARY**

**CMHSP/PIHP: NORTH COUNTRY COMMUNITY MENTAL HEALTH
FISCAL YEAR: 2009**

	Authorization	Matchable Expenditures	Medicaid Savings	Moe / Categorical Redistribution	Sub-Total Expenditures	Redirection of GF	Total Expenditures	Total Lapse	Total Risk Corridor
1. Medicaid									
a. Maintenance of Effort	0	0	0	0	0		0	0	
b. Specialty Managed Care	58,949,261	60,512,371	0	0	60,512,371	0	60,512,371	0	(1,563,110)
c. Total Medicaid	58,949,261	60,512,371	0	0	60,512,371	0	60,512,371	0	

	Authorization	Matchable Expenditures	GF Carry Forward	Moe / Categorical Redistribution	Sub-Total Expenditures	Redirection of GF	Total Expenditures	Total Lapse	Total Risk Corridor
2. General Fund									
a. Maintenance of Effort	0	0	0	0	0		0	0	
b. Categorical	165,808	30,058		0	30,058		30,058	135,750	
c. General Fund	5,104,405	5,113,175	0	0	5,113,175	0	5,113,175	0	(8,770)
d. Total General Fund	5,270,213	5,143,233	0	0	5,143,233	0	5,143,233	135,750	

	MDCH COMMITMENT	SETTLEMENT CASH	EXAMINED BALANCE DUE (MDCH) / CMH	ORIGINAL STL BALANCE DUE (MDCH) / CMH	NET IMPACT BALANCE DUE (MDCH) / CMH
3. CASH SETTLEMENT					
a. Medicaid	58,949,261	58,949,261	0	0	0
b. General Fund	5,134,463	5,270,213	(135,750)	(135,750)	0
c. Total	64,083,724	64,219,474	(135,750)	(135,750)	0

Medicaid Savings Earned	
Examined	0
Original Settlement	0
Increase (Decrease)	0
Comments	

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

	CMHSP Obligation	Payments Sent MDCH	Balance Due (MDCH) / CMH	Balance Due (MDCH) / CMH	Balance Due (MDCH) / CMH
4. State Purchased Services					
a. State Facility	307,867	300,454	(7,413)	(7,413)	0

Disputing this charge. See Section D - State Facility.

	Balance Due (MDCH) / CMH	Balance Due (MDCH) / CMH	Balance Due (MDCH) / CMH
5. Miscellaneous			
a. FY XX Carry Forward	(0)	0	0
b.	0	0	0
c. Sub-Total	(0)	0	0

GF Carry Forward Earned	
Examined	0
Original Settlement	0
Increase (decrease)	0
Comments	

6. Total Cash Settlement	(143,163)	(143,163)	0
---------------------------------	-----------	-----------	---

These amounts should be (\$135,750). Difference is due to disputed charge noted above.

**EXAMINED COST SETTLEMENT SCHEDULE
SECTION B: CARRY FORWARD & MEDICAID SAVINGS**

**CMHSP/PIHP: NORTH COUNTRY COMMUNITY MENTAL HEALTH
FISCAL YEAR: 2009**

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				\$	28,039
b.	Current Year Expenditures					
1.	100% MDCH Matchable Services	\$ -	\$ -	\$ -	\$ -	
2.	90/10% MDCH Matchable Services	\$ -	\$ 31,154		\$ 31,154	
3.	10% Local Match Funds	0	3,115		3,115	
4.	Net State Share for 90/10% Services	\$ -	\$ 28,039		\$ 28,039	
5.	Total MDCH Share	\$ -	\$ 28,039	\$ -	\$ 28,039	\$ 28,039
c.	Unspent Carry Forward				\$	0

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 Amount	Variance Percentage	Concise Description Of Outcome(s) Achieved
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).

EXAMINED COST SETTLEMENT SCHEDULE

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

CMHSP/PIHP: NORTH COUNTRY COMMUNITY MENTAL HEALTH

FISCAL YEAR: 2009

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	0	0.00%	0	0.00%	0	0	0	0
b. OBRA Active Treatment	0	0	0.00%	0	0.00%	0	0	0	0
c. OBRA Residential	0	0	0.00%	0	0.00%	0	0	0	0
d.	0	0	0.00%	0	0.00%	0	0	0	0
e. Residential Direct Care Wage #2	0	0	0.00%	0	0.00%	0	0	0	0
f. Total	0	0		0		0	0	0	0

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	0	95.00%	0	0	0	0	0	0	0
b. OBRA Active Treatment	0	95.00%	0	0	0	0	0	0	0
c. OBRA Residential	0	95.00%	0	0	0	0	0	0	0
d.	0	100.00%	0	0	0	0	0	0	0
e. Residential Direct Care Wage #2	0	100.00%	0	0	0	0	0	0	0
f. Total	0		0	0	0	0	0	0	0

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	0	95.00%	0	0	0	0	0	0	0
b. OBRA Active Treatment	0	95.00%	0	0	0	0	0	0	0
c. OBRA Residential	0	95.00%	0	0	0	0	0	0	0
d.	0	100.00%	0	0	0	0	0	0	0
e. Residential Direct Care Wage #2	0	100.00%	0	0	0	0	0	0	0
f. Total	0		0	0	0	0	0	0	0

4. Recap-MOE	Total MOE Expenditures	Total MOE Savings - C/F	Total MOE LAPSE	Total MOE
a. Medicaid	0	0	0	0
b. General Fund	0	0	0	0
c. Total	0	0	0	0

Sections C.1 through C.4 are not required for FY 2009

5. Categorical - Categories	Authorizations	Expenditures	Lapse
a. Grant Pickup	0	0	0
b. Respite - Tobacco Tax	18,032	18,032	0
c. Multicultural Services	0	0	0
d. Mental Health Court Grant	147,776	12,026	135,750
e. "space holder"	0	0	0
f. Total	165,808	30,058	135,750

Note: Spent \$36,489 on Children's Respite Services, \$18,457 more than categorical funding received.

**EXAMINED COST SETTLEMENT SCHEDULE
SECTION D: STATE FACILITY WORKSHEET**

**CMHSP/PIHP: NORTH COUNTRY COMMUNITY MENTAL HEALTH
FISCAL YEAR: 2009**

	Caro Center	Kalamazoo	W. Reuther	Hawthorn	Mt. Pleasant	Mt. Pleasant	Total
1. Days Of Care	\$385	\$353	\$306	\$152	\$142	\$498	

a.	State Report 16007-01							
1.	Days Of Care (10/19/05)	0	659	0	495	0	0	1,154
2.	Billed Costs	0	232,627	0	75,240	0	0	307,867

b.	CMHSP Reported							
1.	Days Of Care	0	638	0	495	0	0	1,133
2.	Billed Costs	0	225,214	0	75,240	0	0	300,454

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:						
<p>Disputed 21 days of stay (9/11/2009-9/30/2009) for case number 921714. Client has been determined incompetent to stand trial, therefore, North Country Community Mental Health is not responsible for the cost of the inpatient stay.</p>							

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	307,867	299,086	1,368	300,454	(7,413) Disputing this charge. See above.

3. Reconciliation to FSR	Expenditures	Narrative of Variance
a.	FSR Expenditures (Line J) \$ 313,714.00	State Facility Cost \$ 307,867.00
b.	State Facility Cost 307,867.00	Less Disputed Charge (see above) \$ (7,413.00)
		Less ISF Overfunded FY08-Abate in FY09 \$ (7,730.00)
		Add Prorated Administration \$ 20,990.00 \$ 5,847.00
c.	Variance \$ 5,847.00	Total FSR Expenditures \$ 313,714.00

EXAMINED COST SETTLEMENT SCHEDULE
SECTION E: SPECIALTY MANAGED CARE SERVICES WORKSHEET

CMHSP/PIHP: NORTH COUNTRY COMMUNITY MENTAL HEALTH
FISCAL YEAR: 2009

1. Specialty Managed Care Savings Forward Calculation

a.	Specialty Managed Care Authorization (PEPM & Accrual):	58,949,261	d.	Medicaid Non-MOE Maximum Savings	4,421,195
b.	Less: MOE Authorization	-	e.	MOE Savings (From MOE Worksheet)	-
c.	Balance Used for Calculation of Savings	58,949,261	f.	Maximum Savings	4,421,195

Total Program Expenditures	Total Program Funding					Control Total
	State Responsibility		Redirect GF	CMHSP Responsibility		
	Federal 60.27%	State 39.73%		Local	Other	

2. Specialty Managed Care Expenditures

a.	100% Matchable Services						
1.	Total Program Expenditures (inc. QAAP)	60,596,500	36,470,806	24,041,565		84,129	60,596,500
2.	All SSI and Other Reimbursement	84,129					
3.	Net State Share 100% Services	60,512,371					
b. 90% Matchable Services							
1.	Total Program Expenditures	0	0	0		0	0
2.	Other Reimbursement	0					
3.	Sub-Total - Medicaid Base	0					
4.	Medicaid Federal Share	0					
5.	Sub-Total - Match Base	0					
6.	10% Local Match Funds	0					
7.	Net State Share 90/10 Services	0					
8.	Total Specialty Managed Care	60,596,500	36,470,806	24,041,565		0	84,129

3. Specialty Managed Care Authorization to Expenditures

a.	State Authorization	58,949,261	35,528,720	23,420,541			58,949,261
b.	Local Funding / Other Reimbursements	84,129		0	0	84,129	84,129
c.	Total Specialty Managed Care Authorization	59,033,390	35,528,720	23,420,541	0	84,129	59,033,390
d.	Total Specialty Managed Care Expenditures	60,596,500	36,470,806	24,041,565		84,129	60,596,500
e.	Redirection of GF - From GF	0			0		0
f.	Redirection of Freed-Up GF - To GF	0			0		0
g.	Adjusted Expenditures	60,596,500	36,470,806	24,041,565	0	84,129	60,596,500
h.	Funding Surplus / (Deficit)	(1,563,110)					
i.	Less: Forced Lapse (MOE)	0					
j.	Sub-Total	(1,563,110)					
k.	Balance Available for Savings	-					
l.	State Obligation for Savings	0					
m.	Non-MOE Lapse	0					
n.	Risk Corridor	(1,563,110)					

4. Recap

	Total Prog. Exp.	State Obligation	CMHSP / Other
a.	Recap: Total Authorization	59,033,390	84,129
b.	Recap: Total Matchable Expenditures	60,512,371	84,129
c.	Recap: Total Redirection	0	
d.	Recap: Total Savings	0	
e.	Recap: Forced Lapse MOE	0	
f.	Recap: Forced Lapse Non-MOE	0	
g.	Recap: Total Risk Corridor	(1,563,110)	

EXAMINED COST SETTLEMENT SCHEDULE
SECTION EE: MEDICAID SAVINGS / MEDICAID LAPSE WORKSHEET

CMHSP/PIHP: NORTH COUNTRY COMMUNITY MENTAL HEALTH
FISCAL YEAR: 2009

1. Specialty Managed Care

a.	Operating Budget		58,949,261	
1.	Band # 1 (100 - 105%)	5%	2,947,463	PIHP shall retain
2.	Band # 2 (105 - 110%)	5%	2,947,463	Shared PIHP / MDCH

			Medicaid Lapse	Medicaid Savings	Total Savings Corridor
b.	Balance Available for Savings		0		
(from Specialty Managed Care Worksheet)					
1.	Band # 1 Liability		0	0	0
2.	Sub-Total - Band # 1				
3.	Band # 2 Liability		0	0	0
4.	Sub-Total - Band # 2				
5.	Band # 3 Liability		0		0
6.	Totals		0	0	0

**EXAMINED COST SETTLEMENT SCHEDULE
SECTION F: GENERAL FUND WORKSHEET**

**CMHSP/PIHP: NORTH COUNTRY COMMUNITY MENTAL HEALTH
FISCAL YEAR: 2009**

1. GF Authorization / Carry-Forward Calculation

a.	CMH Operations Funding	4,463,727		g.	Less: MOE Authorization	0
b.	Categorical Funding	165,808		h.	Less: Categorical Authorization	165,808
c.	DCH Risk Authorization	0		i.	Balance Used for Calculation of Carry-Forward	5,104,405
d.	State Facility Funding	640,678		j.	GF Carry-Forward (Non-MOE / Categorical)	255,220
e.	DD Center Adjustment	0		k.	MOE GF Carry-Forward (From MOE Worksheet)	0
f.	Total GF Authorization	5,270,213		l.	Maximum Carry-Forward	255,220

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)	975,961	954,511			21,450	975,961
2. All SSI and Other Reimbursements	21,450					
3. Net State Share 100% Services	954,511					
b. 90% Matchable Services						
1. Total Program Expenditures	4,305,565	3,875,008		430,557	0	4,305,565
2. Other Reimbursements	0					
3. Sub-Total	4,305,565					
4. 10% Local Match Funds	430,557					
5. Net State Share 90/10 Services	3,875,008					
c. Liability for State Services	313,714	313,714				
d. Total GF & Local - Expenditures	5,595,240	5,143,233		430,557	21,450	5,595,240

3. General Fund Authorization to Expenditures

a.	State Authorization	5,270,213	5,270,213			5,270,213
b.	Local Funding / Other Reimbursements	452,007		430,557	21,450	452,007
c.	Total GF & Local Authorization	5,722,220	5,270,213	0	430,557	5,722,220
d.	Total GF & Local Expenditures	5,595,240	5,143,233		430,557	5,595,240
e.	Redirection of GF to Medicaid	0		0		0
f.	Redirection of Freed Up GF - From Medicaid	0		0		0
g.	Adjusted Expenditures	5,595,240	5,143,233	0	430,557	5,595,240
h.	Funding Surplus / (Deficit)	126,980				
i.	Less: Forced Lapse (MOE & Categorical)	135,750				
j.	Sub-Total	(8,770)				
k.	Balance Available for Carry-Forward	0				
l.	State Obligation for Carry-Forward	0				
m.	Non-MOE Lapse	0				
n.	Risk Corridor	(8,770)				

4. Recap	Total Prog. Exp.	State Obligation	CMHSP / Other
a. Recap: Total Authorization	5,722,220	5,270,213	452,007
b. Recap: Total Matchable Expenditures	5,595,240	5,143,233	452,007
c. Recap: Total Redirection	0		
d. Recap: Total Carry Forward	0		
e. Recap: Forced Lapse MOE & Categorical	135,750		
f. Recap: Forced Lapse Non-MOE & Categorical	0		
g. Recap: Total Risk Corridor	(8,770)		

**EXAMINED COST SETTLEMENT SCHEDULE
SECTION G: RISK RESPONSIBILITY WORKSHEET**

**CMHSP/PIHP: NORTH COUNTRY COMMUNITY MENTAL HEALTH
FISCAL YEAR: 2009**

1. Specialty Managed Care

a.	Operating Budget		58,949,261	
1.	Band # 1 (100 - 105%)	5%	2,947,463	Full CMHSP Responsibility
2.	Band # 2 (105 - 110%)	5%	2,947,463	Shared State / CMHSP Responsibility
b.	Risk (from Specialty Managed Care Summary worksheet)		1,563,110	
1.	Band # 1 Liability		1,563,110	
2.	Sub-Total - Band # 1		0	
3.	Band # 2 Liability		0	
4.	Sub-Total - Band # 2		0	
5.	Band # 3 Liability		0	
6.	Totals			

State Risk	Local Risk	Total Risk Corridor
	1,563,110	1,563,110
0	0	0
0		0
0	1,563,110	1,563,110

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.

**EXAMINED COST SETTLEMENT SCHEDULE
SECTION H: CHILDREN'S WAIVER**

**CMHSP/PIHP: NORTH COUNTRY COMMUNITY MENTAL HEALTH
FISCAL YEAR: 2009**

For 2009 - 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	0	0	0	0

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	1	16,972	15,578	1,394

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	15,578	0	15,578	0	15,578

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.

PLEASE NOTE: DUE TO CHILDRENS WAIVER PAYMENT SCREENS, WE ARE ONLY EXPECTED TO RECEIVE \$13,392 IN FEE FOR SERVICE CHILDREN'S WAIVER FOR FY2009. OUR FEES EXCEED WHAT MEDICAID ALLOWS FOR SOME CPT CODES.

EXAMINED COST SETTLEMENT SCHEDULE
SECTION I: CASH AND ACCRUED REVENUE WORKSHEET

CMHSP/PIHP: NORTH COUNTRY COMMUNITY MENTAL HEALTH
FISCAL YEAR: 2009

1. Specialty Managed Care - Medicaid

a.	Current FY Capitation Payments Received through 9/30	58,816,016
b.	Current FY DD Center Adjustment	0
c.	* Current FY Accruals Established for Period Ending 9/30	373,950
d.	Sub-Total:	59,189,966
LESS		
e.	** Prior FY Accruals Established for period ending 9/30	240,705
f.	Total Current FY Settlement Accrued Revenue:	58,949,261

* Current FY Accrual Breakdown:	
FY 09 HSW Paid Thru 12/31/09	-
FY 09 HSW Open as of 12/31/09	384,105
Payment Sub-total:	384,105
FY 09 HSW Recoveries thru 12/31/09	-
FY 09 HSW Recoveries Open as of 12/31/09	(10,155)
Recovery Sub-total:	(10,155)
Total Accrual	373,950

** Prior Year Accruals:	
AY 08 HSW	240,705
AY 07 HSW	-
Total Prior Year Accrual	240,705

2. General Fund (Formula and Categorical Funding)

a.	Current FY CMH Operations Funding Received through 9/30	4,463,727
b.	Current FY Categorical Funding Received through 9/30	165,808
c.	Current FY State Facility Funding Received through 9/30	640,678
d.	Sub-Total:	5,270,213
e.	Estimated Accruals	0
f.	Total Current FY GF Settlement Accrued Revenue:	5,270,213

North Country Community Mental Health

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended September 30, 2009

SECTION I - SUMMARY OF ACCOUNTANTS' RESULTS

Medicaid Program

Type of accountants' report issued on compliance: Unqualified

Internal control over Medicaid program:
Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified not considered
to be material weaknesses? _____ yes X None reported

Material noncompliance with the provisions of laws,
regulations or contracts noted? _____ yes X no

Known fraud identified? _____ yes X no

General Fund Program

Type of accountants' report issued on compliance: Unqualified

Internal control over General Fund program:
Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified not considered
to be material weaknesses? _____ Yes X None reported

Material noncompliance with the provisions of laws,
regulations or contracts noted? _____ Yes X no

Known fraud identified? _____ Yes X no

SECTION II - FINDINGS AND QUESTIONED COSTS

Finding Number 2009-1 Medicaid Program - Immaterial noncompliance

Criteria: Reported consumer services must be supported by documentation in the consumer file.

Condition: In one of 40 files examined (2.5%), the reported consumer service was not supported by documentation in the consumer file.

Cause: The dictation file had been lost. However, the physician had hand written notes available.

Effect: One unit of medication review service was reported that was not supported by the client file.

Management's Response and Corrective Action Plan: The physician had hand written notes available. The medical review dictation file had been lost. The physician re-dictated from the notes and the documentation is now included in the client file.

SECTION III - EXAMINATION ADJUSTMENTS

The examined FSR Expenditures was revised to show the cash transfer from the Internal Service Fund of \$1,563,110 for Medicaid expenditures as matchable services rather than a separate line at G5. The CRCS was also updated to show the cash transfer within matchable Medicaid expenditures. The change is a reclassification only that does not affect the final settlement amounts.