

SUMMIT POINTE



***Summit Pointe and  
Venture Behavioral Health***

**COST ALLOCATION PLAN**

**FY 2007 Budget**

**Submission Date 2/28/2007**



SUMMIT POINTE



**Summit Pointe and  
Venture Behavioral Health  
COST ALLOCATION PLAN  
FY 2007 Budget  
Submission Date 2/28/2007**

**CERTIFICATE OF SECTION 460 COST ALLOCATION PLAN**

This is to certify that I have reviewed the Section 460 Cost Allocation Plan submitted herewith and to the best of my knowledge and belief:

(1) All costs included in this proposal dated February 28,2007 to establish cost allocations or billings for the fiscal year ending September 30,2007 are allowable in accordance with the requirements of OMB Circular A 87, "Cost Principles for State, Local, and Indian Tribal Governments," and the Federal award(s) to which they apply. Unallowable costs have been adjusted in allocating costs as indicated in the cost allocation plan.

(2) All costs included in this proposal are properly allocable to service or administrative costs on the basis of a beneficial or causal relationship between the expenses incurred and the categories to which they are allocated in accordance with applicable requirements. Further, the same costs that have been treated as indirect costs have not been claimed as direct costs. Similar types of costs have been accounted for consistently.

(3) All costs included in this proposal are allocated to service or administration and reported in compliance with the Michigan Department of Community Health Cost Allocation Requirement for the fiscal year ending September 30, 2007.

I declare that the foregoing is true and correct.

Governmental Unit: Summit Point (Venture Behavioral Health)

Signature: \_\_\_\_\_

Name of Official: Leon Karnovsky

Title: Chief Financial Officer

Date of Execution: February 28, 2007

## **TABLE OF CONTENTS**

CERTIFICATE OF SECTION 460 COST ALLOCATION PLAN .....	i
TABLE OF CONTENTS .....	ii
COST ALLOCATION PLAN .....	1
Background .....	1
Introduction.....	2
Cost Allocation Policies – In General.....	4
Adequacy of Cost Information.....	5
Adequate Cost Data and Cost Finding.....	5
Cost Center .....	5
Cost Center Functional Definition .....	6
Allocable Costs.....	6
Applicable Credits.....	6
Cost Finding .....	6
Modified Total Direct Cost (MTDC) Allocation Method .....	7
Accumulated Cost (AC) Method of Cost Allocation .....	7
Cost Apportionment.....	7
Departmental Method of Apportionment.....	7
Objectives of Apportionment .....	7
Accounting Systems .....	7
THE ORGANIZATION.....	9
Organization Chart.....	9
Grouping and Classifying Cost Centers.....	10
Chart of Cost Centers.....	11
Cost Center Groups.....	13
Direct Service Cost Centers.....	14
Administrative Cost Centers.....	15
Chart of Accounts .....	15
Revenue Sources .....	24
Natural Classification of Cost.....	24
Subcontract Provider Claim Costs .....	24
Labor Cost .....	25
Fringe Benefits Costs.....	25
Facility Occupancy Costs.....	25
Other Operating Costs .....	26
Allocation Basis .....	27
Direct Service Units.....	27
Square Feet Occupied .....	28
Full-Time Equivalent Employees (FTEs).....	29
Salaries and Wages .....	30
GENERAL OVERHEAD POOLED COST ALLOCATIONS .....	31

**Summit Pointe and Venture Behavioral Health  
COST ALLOCATION PLAN for FY2007 Budget**

---

Fringe Benefit Allocation (CC# 9120) .....	31
Facility Downtown (CC#9131) .....	32
Downtown Facility Cost Allocation .....	33
Downtown Facility Depreciation Allocation .....	34
Downtown Facility Operating Allocation .....	35
Lakeview Facility Costs (CC# 9132) .....	36
Lakeview Facility Cost Allocation .....	37
Lakeview Facility Depreciation Allocation .....	38
Lakeview Facility Operating Allocation .....	39
Albion Facility Costs (CC# 9133) .....	39
Albion Facility Cost Allocation .....	40
Albion Facility Depreciation Allocation .....	41
Albion Facility Operating Allocation .....	41
Vehicle Costs (CC# 9140) .....	42
Agency Operations Costs (CC# 9150) .....	43
Information Systems (CC# 9151) .....	45
DIRECT SERVICE COST .....	47
Direct Service Pooled Cost .....	47
Professional Services Support (CC# 8100) .....	47
Outpatient Services Support (CC# 8110) .....	47
Allocation of Direct Service Pooled Cost .....	48
Direct Operated Programs .....	50
Revenues (CC# 2000) .....	51
Specialized Residential (CC# 2104) .....	51
Medical Services (CC# 2045) .....	51
Bridges (CC# 2050) .....	51
Assertive Community Treatment (CC#2216) .....	51
Supports Coordination Team (CC# 2302) .....	52
Connections Supported Employment (CC#s 2314, 2315 and 2316) .....	52
Connections – Federal Center (CC# 2315) .....	52
Connections – VA Laundry (CC# 2317) .....	53
Youth Team (CC# 2406) .....	53
Crisis On-Call (CC# 2412) .....	53
Battle Creek Outpatient (CC# 2420) .....	53
Behavioral Health Resources – Lakeview (CC# 2440) .....	53
Intake Unit (CC# 2441) .....	54
Senior Behavioral Health (CC# 2444) .....	54
Senior Assessment Center (CC# 2450) .....	54
Albion Outpatient (CC# 2462) .....	54
Prevention Coordinator (CC# 2630) .....	55
Apportionment of Direct Operated Programs .....	55
Grants and Earned Contracts .....	56
OBRA / PASARR Evaluations (CC# 3110) .....	56
PATH / Homeless Housing (CC# 3122) .....	56

**Summit Pointe and Venture Behavioral Health  
COST ALLOCATION PLAN for FY2007 Budget**

---

HUD Grant (CC# 3130).....	57
MSHDA Grant (CC# 3170).....	57
Multi-Systemic Treatment (MST) (CC# 3240) .....	57
Apportionment of Grants and Earned Contracts .....	58
Managed Care Contracts.....	58
Affiliate Medicaid Subcontracts.....	59
Substance Abuse Medicaid Contract.....	59
ADMINISTRATIVE COST .....	61
General and Board Administration.....	61
Administrative, Finance (CC# 8170) .....	61
Administrative, General (CC# 8374) .....	61
Administrative, Quality (CC# 8400).....	61
Administrative, Community Education (CC# 8500) .....	61
New Business Development (CC# 8976).....	62
Apportionment of General and Board Administration .....	62
Venture Behavioral Health.....	63
Central Managed Care Administration.....	63
Apportionment of Central Managed Care Administration .....	64
SUMMARY AND MDCH REPORT EXHIBITS.....	66
Summary Income Statement .....	66
Financial Status Report .....	66
Section 460 Compliance Report .....	66

## **COST ALLOCATION PLAN**

### ***Background***

Section 460 of P.A. 154 of 2005 required that the Michigan Department of Community Health (MDCH) develop methods and instructions for allocating administrative costs and reporting requirements for the Pre-Paid Inpatient Health Plans (PIHPs), Community Mental Health Services Programs (CMHSPs), and their sub-contractors.

The administrative cost allocation initiative under Section 460 of P.A. 154 of 2005 is based on the federal Office of Management and Budget (OMB) Circular A-87, and commences with each PIHP and CMHSP developing and submitting a cost allocation plan to MDCH that: a) is consistent with principles and requirements of OMB Circular A-87; b) identifies the activities that are directly operated and those that are delegated; and c) specifies the methods for allocating costs for each. The guiding classification, allocation and reporting principle for the initiative is that “administration” consists of all of the costs of an organization that are not “direct care” costs. Hence, the first step in the process is to define (for purposes of this initiative) direct care costs. In taking this initial step, a line has been established regarding what constitutes direct care costs and administrative costs.

MDCH recognizes that this classification, allocation and reporting line has been drawn at a point that may be different from the line previously drawn in the organization. The allocation model was developed for the specific purpose and limited scope of providing common definitions for consistent assignment of certain costs, and for reporting these results to the Legislature. MDCH understands – and will make clear in all communications of compiled information and results – that this particular categorization and reporting of expenditures has been formulated for a singular and unique purpose. MDCH will further emphasize that this data should not be used to compare the administrative costs of mental health agencies to other entities that have not adopted similar cost classification and reporting requirements, that serve different populations, and/or that operate according to significantly different statutory, regulatory and service requirements.

MDCH also emphasizes that this particular classification, allocation and reporting model does not dictate how administrative costs are later allocated to programs when PIHPs or CMHSPs develop rates for a unit of service to be produced or purchased. MDCH also recognizes that this allocation model may not be applicable, optimal or equitable for actuarial rate-setting purposes.

MDCH to date has however been non-committal as to whether this allocation and apportionment model will be applied to financial status reporting and cost reconciliation. At this time, and until further clarification is obtained from MDCH, the PIHP and CMHSP affiliates reserve their rights under applicable law, regulation and contract to alternative

methods that adequately and appropriately claim, reconcile and settle costs relative to Medicaid and other State funding.

## ***Introduction***

This Cost Allocation Plan (CAP) document is intended to conform to MDCH methods and instructions and be reflective of the values of a public mental health system. In response to Section 460, it uses as its foundations, OMB Circular A-87, the Michigan Mental Health Code, the contract between MDCH and the PIHPs and CMHSPs, and, as applicable, the Medicaid Provider Manual. This Cost Allocation Plan is to document the classification and allocation of allowable costs between direct services and administration, and the apportionment of these between Medicaid and Non-Medicaid programs, in accordance with MDCH methods and instructions.

The steps employed in this Cost Allocation Plan are as follows:

1. Determine allowable costs under the applicable state and federal regulations. Costs determined to be non-allowable are to be allocated their appropriate share of overhead cost.
2. Identify the methodologies to be used in the cost allocation plan. The cost allocation plan for the PIHP drives their affiliate CMHSP cost allocation plans for Medicaid purposes and determination.
3. Identify all costs that are direct service costs; the remaining costs are overhead costs or administrative costs.
4. Allocate overhead costs to direct service or administrative costs.
5. Apportion direct service costs by program (Medicaid, GF, etc).
6. Apportion administrative costs by program (Medicaid, GF, etc).
7. Report direct service and administrative costs to MDCH on the Section 460 report.

This Cost Allocation Plan is to be submitted to MDCH in accordance with published due dates. MDCH may review the cost allocation plan to assure it is complete and meets OMB Circular A-87 standards; and will keep the plan on file for future reference. The allocation methods may not be changed during the fiscal year unless a material defect is discovered or the law or organization is changed affecting the validity of the methodology.

Independent audit shall verify that costs were allocated correctly and according to the cost allocation plan. The independent auditor shall review and verify how the administrative and direct service costs were separated, that the methodologies identified in the cost allocation plan were used and that there is evidence to support that the allocation of costs was done in compliance with OMB Circular A-87 using those methodologies.

**Summit Pointe and Venture Behavioral Health**  
**COST ALLOCATION PLAN for FY2007 Budget**

---

In accordance with MDCH instruction, “direct service” costs are those associated with the covered services that are reported via CPT or HCPCS codes as encounters, including fiscal intermediary services. Direct service also includes services provided face-to-face to mental health consumers or prospective mental health consumers such as prevention, outreach, crisis intervention, and peer-delivered services that do not result in encounter reporting. Direct service costs include:

- Staff salary and benefits (including assigned or allocated support and clerical staff) for performing the face-to-face activity and the ancillary activities conducted on behalf of the consumer (progress notes, phone calls, etc.).
- Salary and benefits of the immediate supervisor of the staff providing the service. Second- or third- line supervisors are to be classified as administrative. Only if there is documented evidence that the second- or third-line supervisor is performing a duty that is normally the duty of a direct care provider or immediate supervisor may they be included (proportionally allocated) as direct services. Materiality is a factor in determining whether to include the staff salary/benefits for a second- or third-line supervisor, clinical director, etc.
- Medical records, electronic or otherwise, shall be reported as direct service.
- Direct service cost also includes materials acquired, consumed or expended specifically to provide direct services. As example, these include, travel, vehicle cost, supplies and other operating expenses directly associated with the provision of direct service, either directly assigned or properly allocated.

Further, in accordance with MDCH instruction, with regard to overhead cost allocation:

- Building costs, including capital costs and/or rent, building security, utilities and other related occupancy costs, shall be allocated to direct services and administration.
- Equipment, including as examples personal computers (including cabling, server, router, and software), telephones, fax, and office furniture used by the direct service and related support or clerical staff shall be allocated to direct services. Equipment attributable to all other staff shall be allocated to administration.
- The cost of training required for a specific covered service shall be reported as a direct service cost. General training that is provided to staff across the service delivery system shall be included in administration.
- All costs that are not determined to be direct service costs, or allocable overhead to direct service activities, are to be classified as administrative costs. These include as staff examples:
  - Executive Director
  - Management and non-immediate supervisory staff
  - Human resources and training staff
  - Budget, finance, accounting and reimbursement staff
  - Information system staff (network management, help desk, security)



**Summit Pointe and Venture Behavioral Health**  
**COST ALLOCATION PLAN for FY2007 Budget**

---

- While Recipient Rights, Customer Services, and some of Utilization Management and Quality Improvement may include direct service to consumers, these functions are not considered to be the primary business of the public mental health system but are “regulatory” functions and therefore classified as administrative costs.
- Line item examples of administrative costs include:
  - Legal, audit and consultation services
  - Advisory councils and committees
  - Accreditation and licensing fees
  - Association membership fees
  - County indirect cost allocations

A panel of experts established by MDCH will provide a ruling where there are local questions about whether a cost is direct service or administrative.

For this reporting purpose, this cost allocation plan includes, at a minimum, for each different allocation basis:

- A description of the cost or service to be allocated. This may require inclusion of an organization chart, a chart of accounts or other supporting documentation.
- Projected costs to be allocated.
- A detailed description of the method used to allocate costs.
- A summary or pro-forma presentation of the allocation to each activity or program.

A cost center or cost objective means a function, organizational subdivision, contract, grant, or other activity for which cost data is needed and for which costs are incurred. Indirect cost pools are the accumulated costs that jointly benefit two or more programs or other cost objectives.

### ***Cost Allocation Policies – In General***

The Cost Allocation Policies and Procedures generally in force in this Cost Allocation Plan are documented below. These have been utilized unless an exception is noted later in this document. Any exception to these general rules will include the rationale for making the exception.

The Cost Allocation Plan shall, at a minimum:

1. Describe the procedures used to identify, measure, and allocate all costs to each of the programs operated by the organization.
2. Conform to the accounting principles and standards prescribed in pertinent contractual agreements, regulations and other authoritative literature.

**Summit Pointe and Venture Behavioral Health**  
**COST ALLOCATION PLAN for FY2007 Budget**

---

3. Contain sufficient information in such detail to permit making an informed judgment on the correctness and fairness of the procedures for identifying, measuring, and allocating all costs to each of the programs operated by the organization.

The cost allocation plan shall contain the following information:

1. An organizational chart showing the placement of each unit or program within the organization.
2. A listing of revenue and costs for all programs performed, administered, or serviced by these organizational units.
3. A description of the activities performed by each organizational unit and, where not self-explanatory an explanation of the benefits provided to other programs performed, administered, or serviced by the organization.
4. The procedures used to identify, measure, and allocate all costs to each benefiting program and activity.
5. The estimated cost impact resulting from changes to a previously approved plan.

#### **Adequacy of Cost Information**

Cost information must be current, accurate, and in sufficient detail to support payments made for services rendered. This includes all ledgers, books, records and original evidences of cost (purchase requisitions, purchase orders, vouchers, requisitions for materials, inventories, labor time cards, payrolls, bases for apportioning costs, etc.), which pertain to the determination of reasonable cost, capable of being audited.

Financial and statistical records should be maintained in a consistent manner from one period to another. However, a proper regard for consistency need not preclude a desirable change in accounting procedures, provided that full disclosure of significant change is made.

#### **Adequate Cost Data and Cost Finding**

The PIHPs and CMHSPs must use a method for reporting costs and statistics that results in an accurate and equitable allocation of allowable costs, and is justifiable from an administrative and cost efficiency standpoint.

#### **Cost Center**

An organizational unit, generally a department or its subunit, having a common functional purpose for which direct and indirect costs are accumulated, allocated and apportioned. In addition, those natural expense classifications may be accumulated in separate cost centers (cost pools) created to accumulate these indirectly allocable costs such as depreciation, facilities, and fringe benefits. These cost centers also fall under this definition to facilitate cost finding and cost allocation.

### **Cost Center Functional Definition**

The cost allocation plan recognizes that the organization of cost centers for internal accounting and management responsibility in the formal accounting system may not adequately segregate costs by functional activity for the purpose of reimbursable cost computation.

For cost allocation purposes, segregation of costs by functional area is required if the costs are material, the effect of not segregating the costs is significant and if an appropriate basis for cost allocation is available. This segregation may occur in the formal accounting system or in the informal cost finding process as described elsewhere in this document.

### **Allocable Costs**

An item or group of items of cost chargeable to one or more objects, processes, or operations in accordance with cost responsibilities, benefits received, or other identifiable measure of application or consumption.

#### *Directly Allocable Costs*

Directly allocable costs are chargeable (directly assigned) to a specific cost object based on actual usage rather than a statistical surrogate. This typically occurs in the formal accounting system.

#### *Indirectly Allocable Costs*

Indirectly allocable costs are not chargeable based on actual usage, and thus, must be allocated on the basis of a statistical surrogate (e.g., square feet). This may occur in the formal accounting system by allocation table or journal entries, or may occur in the informal cost finding process as described elsewhere in this document.

### **Applicable Credits**

Those receipts or types of transactions that offset or reduce expense items that are allocable to cost centers as direct or indirect costs. Typical examples of such transactions are: purchase discounts, rebates, or allowances; recoveries or indemnities on losses; sales of scrap or incidental services; adjustments of overpayments or erroneous charges; and other income items which serve to reduce costs (*i.e., COBRA receipts*).

### **Cost Finding**

Cost Finding is a determination of the cost of services by the use of informal procedures, *i.e.*, without employing the regular processes of cost accounting on a continuous or formal basis. It is the determination of the cost of an operation by the

assignment of direct costs, the allocation of indirect costs, and the apportionment of costs to contract programs.

### **Modified Total Direct Cost (MTDC) Allocation Method**

The Modified Total Direct Cost method of allocation uses the ratio of department MTDC to MTDC for all departments subject to allocation and is applied to cost to be allocated. Modifications refer to adjustments to either the basis cost or allocable cost to reflect special treatment or exceptions (i.e., earned contract offsets, etc.). Modifications, and their rationale, are to be disclosed in the cost allocation plan. Unless some other allocation method or statistical basis is available and appropriate, the MTDC allocation method is used to allocate overhead and administrative costs to benefiting cost objects.

### **Accumulated Cost (AC) Method of Cost Allocation**

The difference between MTDC and a similar methodology referred to as Accumulated Cost is that the Accumulated Cost method uses a prioritization of allocation sequencing for multiple allocations and layers (or “steps down”) these allocations, accumulating each layer of cost for subsequent allocation or allocation basis along the way.

### **Cost Apportionment**

Allowable costs of an organization (direct service and administrative costs) are apportioned between contract eligible individuals and other individuals so that the share borne by the contract program (i.e., payer, funding source, etc.) is based upon actual services received by contract eligible individuals.

### **Departmental Method of Apportionment**

This method of apportionment is the ratio of covered services furnished to contract eligible individuals to total supports and services furnished to all of the organizations' contract and non-contract individuals, applied to the cost of the department.

### **Objectives of Apportionment**

The objectives of the apportionment process are to assure that:

- Costs of covered supports and services provided to eligible individuals under contract programs will not be borne by other contracts or other individuals.
- Costs of supports and services to non-contract and other non-eligible individuals will not be borne by the contract program.

### **Accounting Systems**

The accounting and reporting system consists of both formal and informal accounting systems. The formal accounting system consists of a general ledger, general journals,

**Summit Pointe and Venture Behavioral Health**  
**COST ALLOCATION PLAN for FY2007 Budget**

---

and the following accounting subsystems: accounts payable, payroll, claims adjudication, and clinical billing systems. These formal accounting systems are subjected to internal accounting controls, security and formal policy and procedures.

The formal accounting system utilizes the Solomon Accounting System. The Solomon general ledger system includes an automatic cost allocation feature. Certain Allocation Cost Centers are established. Allocation Group Tables are defined to accumulate costs to be allocated, define the allocation basis, compute the periodic cost allocation, and automatically produce cost reclassification journal entries in the month-end accounting processes. These include fringe benefit and facility cost allocations as examples. This Cost Allocation Plan will describe these Allocation Group Tables.

Other components of the formal accounting system include:

- Solomon Accounts Receivable and Payable subsystems
- Ceridian Payroll outside service
- Streamline Care Management Provider Claims system
- Streamline Clinical Billing and Accounts Receivable system

Other cost allocations and cost apportionments are performed in the informal cost allocation process used to compile financial statements, regulatory and contractual cost reporting, and cost settlement. The informal accounting system includes various spreadsheets, databases, property depreciation records, and other data or records. This Cost Allocation Plan, and its supporting working papers and spreadsheet files, are a significant component of the informal accounting system.

This Cost Allocation Plan addresses both formal and informal accounting processes. In this document, a distinction will be made between allocations in the formal accounting system and those made in the informal cost allocation process.

## **THE ORGANIZATION**

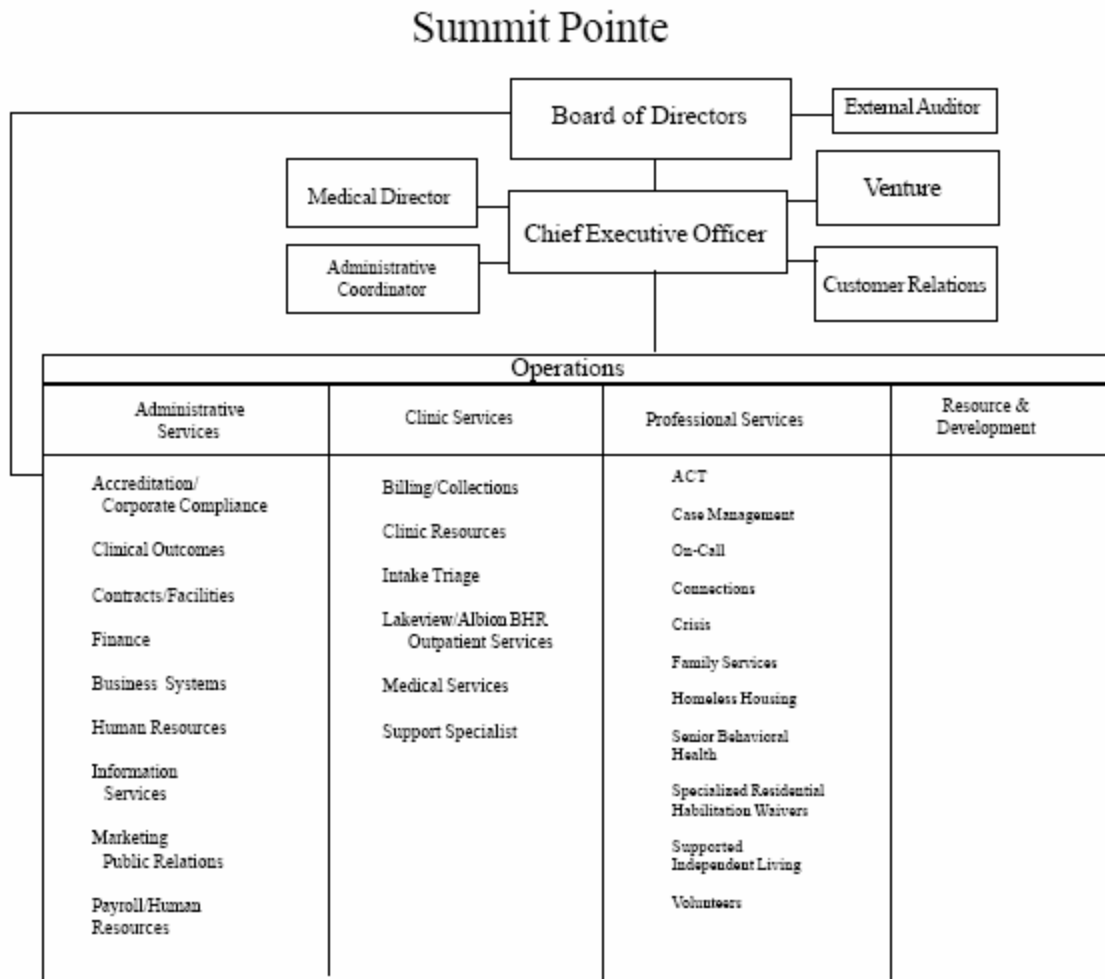
Summit Pointe is the Community Mental Health Services Program (CMHSP) for Calhoun County, Michigan as designated by the Calhoun County Board of Commissioners and authorized by the State of Michigan under the Michigan Mental Health Code. It operates as a Community Mental Health Authority under the provisions of Act 258 - Public Acts of 1974, as amended, and provides funding for supports and services for adults with mental illness, children with severe emotional disturbance and persons with developmental disabilities for residents of Calhoun County.

Summit Pointe is the host board for Venture Behavioral Health, a regional affiliation with other CMHSPs, for purposes of Medicaid funding. Summit Pointe contracts with other affiliated CMHSPs in the region and with Substance Abuse Coordinating Agencies to provide Medicaid funds through Summit Pointe for the provision of Medicaid covered services rendered for Medicaid-eligible residents of Barry, Berrien, Branch, Calhoun and Van Buren counties. Summit Pointe, as the host board for Venture Behavioral Health, has been designated by the State of Michigan as the regional Pre-paid Inpatient Health Plan (PIHP). Summit Pointe contracts with the Michigan Department of Community Health (MDCH) to administer regional Medicaid funds.

### ***Organization Chart***

The following organization chart displays the management and organization structure.

**Summit Pointe and Venture Behavioral Health  
COST ALLOCATION PLAN for FY2007 Budget**



**Grouping and Classifying Cost Centers**

Cost centers are grouped and classified by similar function, business segment, nature, or activity. This cost allocation plan describes the cost objectives, cost allocation and cost apportionment associated with each. For purpose of discussion, cost centers will be grouped and classified as follows:

- Non-Allowable (for MDCH costing purposes) or “Local Cost Only” Cost Centers
- General Overhead Indirect Pooled Cost Centers – subject to allocation
- Direct Service Cost Centers – subject to allocation or apportionment
  - Direct Service Pooled Cost Centers – subject to allocation
  - Direct-operated Cost Centers – subject to apportionment

**Summit Pointe and Venture Behavioral Health  
COST ALLOCATION PLAN for FY2007 Budget**

---

- Grants and Earned Contract Cost Centers – subject to cost finding
- Subcontract Cost Pools by Contract Program - Medicaid, State GF, MiChild, and ABW subject to cost reconciliation and settlement
- Administrative Cost Centers – subject to apportionment
  - General and Board Administrative Cost Centers
  - Managed Care Administrative Cost Centers

### **Chart of Cost Centers**

A chart of cost centers from the formal accounting system general ledger follows. Cost centers are established by management responsibility within the organization. It is not necessarily intended that separate cost centers be established in the formal accounting system beyond this management responsibility differentiation. The purpose of this cost allocation plan is to describe the cost finding, allocation and apportionment process where a single cost center may serve multiple functions, purposes or cost elements.

The cost centers listed below are classified by their function or purpose.

## **SUMMIT POINTE**

### **Cost Allocation Plan - FY07 Budget Chart of Cost Centers and Cost Objects**

**CC#      Cost Center Name**

0000      Balance Sheet

### **General Overhead Pooled Cost**

9120      Fringe Benefits  
9131      Facility, Downtown  
9132      Facility, Lakeview  
9133      Facility, Albion  
9140      Vehicle  
9150      Agency Operations  
9151      Information Systems

### **Direct Service Cost**

#### **Direct Service Pooled Cost**

8100      Professional Services Support  
8110      Outpatient Services Support

### **Direct-Operated, Direct Service Cost**

#### **Direct-Operated Programs**



**Summit Pointe and Venture Behavioral Health  
COST ALLOCATION PLAN for FY2007 Budget**

---

**SUMMIT POINTE  
Cost Allocation Plan - FY07 Budget  
Chart of Cost Centers and Cost Objects**

<b><u>CC#</u></b>	<b><u>Cost Center Name</u></b>
2000	Revenues
2104	Specialized Residential
2045	Medical Services
2050	Bridges
2216	Assertive Community Treatment
2302	Supports Coordination Team
2314	Connections
2315	Connections-Federal Center
2317	Connections-VA Laundry
2406	Youth Team
2412	Crisis On Call
2420	Battle Creek Outpatient
2440	BHR-Lakeview
2441	Intake Unit
2444	Senior Behavioral Health
2450	Senior Assessment Center
2462	Albion Outpatient
2630	Prevention Coordinator

**Grants & Earned Contracts**

3110	OBRA/PASARR Evaluations
3122	PATH / Homeless Housing
3130	HUD Grant
3170	MSHDA Grant
3240	Multi-Systemic Treatment (MST)

**Managed Care Contracts**

1110	Medicaid Contract
1200	State GF Contract
1300	MiChild Contract
1400	ABW Contract

**Affiliate Medicaid Subcontracts**

1111	BMHA Riverwood Center
1112	Van Buren Mental Health
1113	Pines Behavioral Health
1114	Barry County Mental Health

**Substance Abuse Medicaid Contract**

1115	Kalamazoo Regional CA
1116	Calhoun County SA

## **SUMMIT POINTE**

### **Cost Allocation Plan - FY07 Budget**

#### **Chart of Cost Centers and Cost Objects**

**CC#**    **Cost Center Name**

1117    Berrien County SA

### **Administrative Cost**

#### **General and Board Administration**

8170    Administrative, Finance  
8374    Administrative, General  
8400    Administrative, Quality  
8500    Administrative, Comm Ed  
8976    New Business Development

#### **Central Managed Care Administration**

1000    Managed Care Administration  
1001    VBH-Financial Management  
1002    VBH-Information Management  
1010    VBH-Utilization Management  
1020    VBH-Member Services  
1030    VBH-Provider Network  
1040    VBH-Quality Management

## **Cost Center Groups**

Cost centers (including cost objects and cost pools) are grouped as follows:

1. **Non-Allowable or "Local Cost Only" Cost Centers** – These cost centers will contain any costs deemed to be non-allowable for cost reconciliation and cost settlement purposes, or those costs chosen to be supported by CMH local funds only. These will also include an appropriate share of overhead cost as applicable in cost finding.

Summit Pointe does not currently have these cost centers.

2. **General Overhead Pooled Cost Centers** – These include cost pools for the following:
  - Employee Fringe Benefit Costs including payroll taxes, insurance, retirement, and other benefit costs to be allocated departmentally on the basis of salaries and wages.

**Summit Pointe and Venture Behavioral Health**  
**COST ALLOCATION PLAN for FY2007 Budget**

---

- Facility Occupancy Cost including building capital cost, rent, utilities, maintenance and other occupancy costs to be allocated departmentally on the basis of occupied square feet.
- Depreciation Expense for capital assets with an original cost in excess of \$5,000 and a useful life of more than one year. These are depreciated on a straight-line basis over their respective estimated useful lives. Depreciation expense for capital assets acquired prior to October 1, 2002 (the effective date for implementation of GASB 34) is excluded from cost for MDCH cost reconciliation and cash settlement purposes. Depreciation expense for buildings and improvements is allocated directly to the specific facility and from there to the cost centers located therein on the basis of square feet. Depreciation for furniture and equipment is allocated to direct service and administrative cost centers on the basis of full-time equivalent employees (FTEs).
- Other general overhead cost centers as described herein and allocated either in the formal accounting system by allocation tables or in the informal cost allocation plan process.

**Direct Service Cost Centers**

3. **Direct Service Pooled Cost Centers** – These include professional and outpatient services support and are typically allocated to all Direct-Operated Direct Service and certain Grant and Earned Contract cost centers on the basis of Modified Total Direct Cost (MTDC)
4. **Direct-Operated, Direct Service Cost Centers** – These are cost centers for direct-operated, direct service departments, such as Case Management, Outpatient Mental Health, Assertive Community Treatment (ACT), etc. These cost centers provide direct services to eligible persons and generate encounter data for reporting purposes. Costs for these are apportioned typically on the ratio of program units to total units applied to cost (RUUAC) on the departmental basis.
5. **Grant and Earned Contract Cost Centers** – These special purpose cost centers typically require unique or special cost finding, apportionment and reimbursement treatment in accordance with grant or contract provisions. Typically these are treated for cost apportionment purposes as a grant or earned contract revenue offset against cost, with any remaining cost apportioned to other programs as allowable (i.e., usually State GF).
6. **Subcontract Provider Cost Pools by Program** – These include the directly assigned cost of external subcontract provider direct services paid or accrued on a per-diem or fee-for-service basis, and include adjustments for the change in Incurred But Not Reported (IBNR) Claim Liability and change in applicable Internal Service Fund Risk Reserves (funding or abatements) as applicable.

**Summit Pointe and Venture Behavioral Health  
COST ALLOCATION PLAN for FY2007 Budget**

---

These cost pools include at a minimum the Medicaid program and the Non-Medicaid programs of State General Fund (GF), MiChild, and Adult Benefit Waiver (ABW). These direct service costs will be reported for Medicaid on the PIHP Legislative Report for Medicaid Direct Service as “Other Subcontractor(s)” and for Non-Medicaid on the CMHSP Legislative Report as Other Subcontractor(s). External subcontract providers include State facilities (GF only, state and local portions), Community Inpatient Hospitals, Residential Providers (net of room and board, offset for SSI), and other outpatient or community-based providers of direct supports and services to eligible persons.

For PIHP only, the Medicaid Cost Pool will include separate cost centers for CMH affiliate Medicaid subcontracts and substance abuse coordinating agency Medicaid subcontracts. These costs will be reported for Medicaid on the PIHP Legislative Report for Medicaid Direct Service as “Prime Subcontractor(s)” and split between direct service and administrative cost based on cost allocation plans submitted to the PIHP by those entities.

**Administrative Cost Centers**

7. **General and Board Administrative Cost Centers** – These include general administration, finance, quality, community education, and new business development. These are allocated to all cost objects in the organization on the basis of Modified Total Direct Cost (MTDC). For purposes of the Section 460 legislative report, this cost allocation will be separately accounted for and apportioned to Managed Care Contracts (i.e., Medicaid, State GF, etc.) on the basis of contract cost to total cost.
8. **Managed Care Administrative Cost Centers** – These include Venture Central (100% Medicaid) managed care administration, financial, information, utilization, quality management, member services, and provider network.

***Chart of Accounts***

The following is a chart of accounts from the formal accounting system general ledger. It shows the revenue and expense accounts only, with an FY07 Budget summary trial balance amount for each account.

**Summit Pointe and Venture Behavioral Health  
COST ALLOCATION PLAN for FY2007 Budget**

---

**SUMMIT POINTE  
Cost Allocation Plan - FY07 Budget  
Chart of Accounts and FY07 Budget Trial Balance  
(Revenue & Expense Accounts Only)**

<u>Acct#</u>	<u>Account Name</u>	<u>Budget</u>
<b><u>Revenue Accounts</u></b>		
41110	Medicaid Developmental Disab	68,763,066
41111	Medicaid Substance Abuse-DD	1,468,041
41210	Genl Fund Capitation, State IP	750,000
41220	General Fund Capitation	5,395,000
41300	MI Child Capitation	19,500
41400	Adult Benefit Waiver Revenue	633,000
42210	Medicaid Fee-for-Service	53,000
42310	Customer NonMedicaid Revenue	2,678,885
42330	Contractual Adj-NonMedicaid	(1,651,884)
44100	Title XX Replacement	5,782
44210	OBRA PASSAR Evaluations	331,099
44230	HHAP/PATH Revenue	56,310
44250	HUD Grant Revenue	71,333
44350	Child Care Consultation Revenue	71,400
44360	Nursing Clinic Contract Revenue	82,000
44370	Family Psychoeducation Revenue	43,071
44410	Respite-Tobacco Tax Revenue	25,060
44411	Respite-Child w/SED Revenue	15,000
45100	County Share, State Institutn	141,240
45200	County Appropriation	123,760
46030	Michigan Rehab Services	75,000
	Contract Revenue	1,723,100

**Summit Pointe and Venture Behavioral Health  
COST ALLOCATION PLAN for FY2007 Budget**

---

**SUMMIT POINTE  
Cost Allocation Plan - FY07 Budget  
Chart of Accounts and FY07 Budget Trial Balance  
(Revenue & Expense Accounts Only)**

<u>Acct#</u>	<u>Account Name</u>	<u>Budget</u>
46060		
46061	Contract Revenue, VA Laundry	1,000,000
46090	Other Non DCH Services	1,000
48200	Berrien MH Auth, Riverwood	42,000
48300	Pines Behavioral Hlth, Branch	8,000
48500	Van Buren Mental Hlth Services	12,000
48999	VBH Central Admin Revenue-Cont	-
49000	Interest Income	750,000
49010	Interest Income-Medicaid ISF	90,991
49020	Interest Income-State GF ISF	4,009
49100	Rent Income	84,435
49300	Policy Govern' Network Revenue	20,000
49400	New Business Retail Sales Reve	108,500
49511	Local Funds Transfer-Riverwood	384,500
49512	Local Funds Transfer-Van Buren	218,296
49513	Local Funds Transfer-Pines	110,460
49514	Local Funds Transfer-Barry	62,208
49900	Other Revenue-Local Match	<u>50,000</u>
	<b>Total Revenue</b>	<b><u>83,819,162</u></b>

**Expense Accounts**

50100	State Hospital (State), Extl	1,140,240
50200	State Hospital (Local), Extl	141,240
	Community Hospital, Extl	541,000

**Summit Pointe and Venture Behavioral Health  
COST ALLOCATION PLAN for FY2007 Budget**

---

**SUMMIT POINTE  
Cost Allocation Plan - FY07 Budget  
Chart of Accounts and FY07 Budget Trial Balance  
(Revenue & Expense Accounts Only)**

<u>Acct#</u>	<u>Account Name</u>	<u>Budget</u>
50300		
50500	Residential Services, Extl	5,044,279
51000	Partial & Intensive OP, Extl	41,089
52000	Supportive Services, Extl	3,420,074
52500	Outpatient Services, Extl	1,930,092
53000	Ancillary Services, Extl	134,561
53100	Methadone/LAAM	9,852
53200	Sub-acute detox	21,886
53300	SARF	54,020
53800	Prevention Services, Extl	-
53900	Other Healthcare Cost, Extl	512,817
54111	Subcontract Cost CY-Riverwo	18,406,978
54112	Subcontract Cost CY-Van Bur	9,396,230
54113	Subcontract Cost CY-Pines	5,891,073
54114	Subcontract Cost CY-Barry	3,021,473
54115	Subcontract Cost CY-Kalamaz	345,481
54211	CMH Subcontract Admin-RC	2,298,284
54212	CMH Subcontract Admin-VB	1,461,141
54213	CMH Subcontract Admin-PB	618,400
54214	CMH Subcontract Admin-BC	479,655
54215	SA Subcontract Admin-Kazoo	78,422
60010	Salaries, Management	935,500
	Salaries, Clinician	2,643,797

**Summit Pointe and Venture Behavioral Health  
COST ALLOCATION PLAN for FY2007 Budget**

---

**SUMMIT POINTE  
Cost Allocation Plan - FY07 Budget  
Chart of Accounts and FY07 Budget Trial Balance  
(Revenue & Expense Accounts Only)**

<u>Acct#</u>	<u>Account Name</u>	<u>Budget</u>
60050		
60070	Salaries, Merit	507,500
60090	Salaries, All Other	1,545,466
61200	Employer Medicare Tax	74,309
61300	Unemployment Tax	21,000
61400	Workers Compensation	120,000
62100	Health Insurance	831,425
62200	Dental Insurance	103,500
62300	Life Insurance	24,250
62400	Sickness & Accident Insurance	73,475
62500	Employer Pension Expense	317,735
62510	401k Match Expense	152,000
62998	Fringe Benefit Allocation	1,612,694
62999	Allocated Benefits, Contra	(1,612,694)
70100	Contract Physician	1,239,100
70210	Contract RN	451,000
70220	Contract Psych Outpt/Psychomet	1,219,650
71000	Contract Programs	576,750
71001	Cafe Can Do Contract	88,000
71002	Contract Programs - Local Match	485,000
71004	Share Center Contract	142,000
71006	Protocall Contract	100,000
	F&CS Contract	5,000



**Summit Pointe and Venture Behavioral Health  
COST ALLOCATION PLAN for FY2007 Budget**

---

**SUMMIT POINTE  
Cost Allocation Plan - FY07 Budget  
Chart of Accounts and FY07 Budget Trial Balance  
(Revenue & Expense Accounts Only)**

<u>Acct#</u>	<u>Account Name</u>	<u>Budget</u>
71008		
71012	Extended Contract	45,880
71070	Personnel Contract Expense	1,048,091
71075	MI Rehabilitation Contract	20,000
71089	Contract Support Services	78,450
73010	Child Model Waiver Expense	107,170
73022	Respite-Child w/SED Expense	18,460
73023	Child Care Consultation Expene	60,000
73024	Nursing Clinic Contract Expense	82,000
73025	Family Psychoeducation Expense	43,071
73030	Connections, Customer Wages	1,240,000
73038	Customer Expense	49,840
73040	Medical Supplies	2,450
73041	Prescriptions	75,500
73043	Client Rent Deposit Expense	23,185
73044	Housing Assistance State Funds	4,000
73048	Employee Customer Travel & Gas	74,850
73100	Policy Govern' Network Expense	15,000
80100	Rent/Lease, Bldg Office	369,873
80200	Rent/Lease, Equipment	46,500
80300	Maintenance, Bldg & Equipment	432,500
80310	Building Renovations	-
	Utilities	91,000

**Summit Pointe and Venture Behavioral Health  
COST ALLOCATION PLAN for FY2007 Budget**

---

**SUMMIT POINTE  
Cost Allocation Plan - FY07 Budget  
Chart of Accounts and FY07 Budget Trial Balance  
(Revenue & Expense Accounts Only)**

<u>Acct#</u>	<u>Account Name</u>	<u>Budget</u>
80400		
80500	Custodial Service	46,000
80520	Custodial Supplies	54,500
80530	Refuse Service	12,250
80600	Insurance & Bonds	62,027
80991	Dwntn Facility Allocation	410,303
80992	Lkvw Facility Allocation	407,240
80993	Albion Facility Allocation	227,084
80995	Allocd Dwntwn Facility, Contra	(410,303)
80996	Allocd Lkview Facility, Contra	(407,240)
80997	Allocd Albion Facility, Contra	(227,084)
82000	Vehicle Lease	34,689
82010	Vehicle Maint & Repairs	5,000
82020	Vehicle Gasoline	23,000
82030	Vehicle Insurance	12,000
82098	Vehicle Cost Allocation	69,689
82099	Allocated Vehicle Cost, Contra	(69,689)
83040	Regional Quality Management	138,000
84001	Audit Fee	20,000
84002	Accounting & Payroll Services	42,000
84003	Billing & Collections Services	1,000
84004	Legal Services Expense	32,500
	Contract Consultants	2,096,200

**Summit Pointe and Venture Behavioral Health**  
**COST ALLOCATION PLAN for FY2007 Budget**

---

**SUMMIT POINTE**  
**Cost Allocation Plan - FY07 Budget**  
**Chart of Accounts and FY07 Budget Trial Balance**  
(Revenue & Expense Accounts Only)

<u>Acct#</u>	<u>Account Name</u>	<u>Budget</u>
84010		
84020	Information Systems Contracts	900,000
84021	Venture Regional IT EMR Cost	1,201,188
84030	Agency Service Contracts	128,800
84098	Agency Contracts Allocation	900,000
84099	Allocated Agency Contracts Contra	(900,000)
84200	Telephone	150,501
84210	Cell Phone/Pager Internet	126,801
84400	Employee Development	-
84410	Employee Education & Travel	220,208
84415	Venture Regional Clinical Training	300,000
84420	Meeting Expense	24,000
84610	Just Mileage Expense	73,830
84800	Community Education	251,560
84810	Community Education Services	-
85000	Office Supplies	103,900
85010	Postage Expense	40,650
85040	Insight Testing Materials	2,000
85100	Computer Supplies and Repairs	15,000
85110	Computer Equipment Purchase	150,000
85120	Computer Software Purchase	60,000
85200	Furniture & Equipment Purchase	60,000
	Staff Recruiting and Med Exp	104,000

**Summit Pointe and Venture Behavioral Health  
COST ALLOCATION PLAN for FY2007 Budget**

---

**SUMMIT POINTE  
Cost Allocation Plan - FY07 Budget  
Chart of Accounts and FY07 Budget Trial Balance  
(Revenue & Expense Accounts Only)**

<u>Acct#</u>	<u>Account Name</u>	<u>Budget</u>
85300		
85510	Dues and Memberships	126,400
85520	Subscriptions and Publications	78,350
88800	Board Expense	40,000
89000	Miscellaneous	13,500
89020	Bank Service Charges	15,200
89998	Agency Allocation	189,500
89999	Allocd Agency Operatns, Contra	(189,500)
99600	Local Funds Paid to DCH	1,110,756
99710	Medicaid QAAP - MH/DD	4,125,784
99720	Medicaid QAAP - SA	88,082
99900	Depreciation Expense-Buildings	86,041
99901	Depreciation Exp-Furn & Equip	94,625
99903	Depreciation Expense-Computers	147,410
99904	Deprec Exp-Leasehold Improveme	18,994
99909	Depreciation Allocation	347,070
99910	Allocd Depreciation, Contra	<u>(347,070)</u>
	<b>Total Expense</b>	<b><u>83,009,312</u></b>
	<b>Net Surplus / (Deficit) before settlement</b>	<b><u>809,850</u></b>

## **Revenue Sources**

Revenues are classified according to their nature and source, and are applied in the formal accounting system to cost centers to match with associated and related cost for services performed and programs administered. These include:

- Revenues subject to cost reconciliation and settlement including
  - Medicaid capitation or affiliate Medicaid subcontract revenue
  - Non-Medicaid contract revenue
    - State General Fund formula funding
    - MiChild capitation
    - Adult Benefit Waiver (ABW) capitation
- Grants and earned contract revenues subject to cost finding determination
- Program service revenue subject to differing treatment based on payer source (i.e., Section 423 payers, other 1<sup>st</sup> and 3<sup>rd</sup> party payers, SSI reimbursements, Children's Waiver, etc.)
- Other local fund source revenues (i.e. county appropriation, interest income, etc.)

With respect to most grants and earned contracts, the determination of revenue is based on a specific off-line accounting for cost, often with an assigned factor for overhead. As such, for cost allocation purposes, revenue will be used as a cost proxy for these specific purpose funds and as a cost offset to segregate these from other program costs.

## **Natural Classification of Cost**

Expenses are classified by their nature and assigned in the formal accounting system as discussed below.

### **Subcontract Provider Claim Costs**

Claim costs for supports and services rendered to eligible individuals by external subcontract network providers are captured in the formal accounting system from the claim payment system interface. Authorized provider claims are adjudicated and paid based on provider network policies, provider contract terms and rates (i.e., per-diem or fee-for-service rates). These costs are directly assigned to Contract Cost Pools by Contract Program (i.e., Medicaid, State GF, etc.) based on the eligibility and coverage benefit of the individual served.

### **Labor Cost**

Labor costs are captured in the formal accounting system from an Excel spreadsheet interface. Costs are entered into the Excel spreadsheet from the Payroll Register and then imported into the accounting system. Employees are assigned a home cost center(s) where they exclusively or predominantly work. Certain employees work in multiple cost centers. These employees are required to prepare a concurrent record of the time spent in each activity or cost center on their time card. These concurrent time records form the basis for the labor cost distribution in the bi-weekly payroll processing.

All worked time is recorded by computer data entry performed by the Payroll Analyst from the time cards submitted by the employee. For non-exempt staff, worked hours and PTO (personal time off) are recorded daily. For exempt staff, standard hours are preloaded - if PTO is taken, standard data is changed accordingly. Time cards are signed by the individual employee. Each time record is reviewed by the respective supervisor or team leader for approval. Approved time records are batched and sent via internet to the external payroll processing service.

The payroll spreadsheet interface with the general ledger system posts salary, pension, Medicare tax and Social Security alternative expenses directly to the applicable cost center based on the reported concurrent time record.

For statistical purposes, worked hours and total paid hours are accumulated by cost center based on the concurrent time record. Worked hours are used for productivity monitoring and reporting purposes. Total wages are used for other statistical purposes including as a cost allocation basis. A full-time equivalent employee is calculated based on 40 standard paid hours per week or 2080 standard paid hours per fiscal year.

### **Fringe Benefits Costs**

Fringe benefits include Health, Dental, Life, and Sickness and Accident Insurance, Employer Medicare Tax, Unemployment Tax, Workers Compensation, Employer Pension Expense and 401k Match Expense. Fringe benefits are accumulated in a fringe benefit indirect cost pool and allocated. During month-end processing, the general ledger system makes an automated cost allocation of fringe benefit costs to other cost centers on the basis of salaries.

### **Facility Occupancy Costs**

Facility Costs include rent, building and equipment maintenance, insurance, utilities and other occupancy costs.

Summit Pointe operates in four locations - the main Summit Pointe facility in downtown Battle Creek, the Behavioral Health Resources outpatient facility in Lakeview, the Venture Behavioral Health administrative facility in Lakeview, and an outpatient facility in Albion.

**Summit Pointe and Venture Behavioral Health**  
**COST ALLOCATION PLAN for FY2007 Budget**

---

For the Downtown, BHR Lakeview, and Albion facilities, costs are determined in the formal accounting system from the accounts payable system, and accumulated in three separate Facility Indirect Cost Pools. During the month end processing, the general ledger system references a cost allocation table that allocates these costs in the formal accounting system based on occupied square feet.

Facility costs for the VBH Lakeview offices are determined in the formal accounting system from the accounts payable system and directly assigned to this freestanding cost center.

### **Other Operating Costs**

Other operating costs are determined in the formal accounting system typically from the accounts payable interface, and are assigned to cost accounts and cost centers as described below.

- Independent Contract Clinicians cost is assigned to direct service cost centers where they work based on invoices or other time records.
- Contractual Program or Grant-Related Expenses are assigned to direct service cost centers as applicable to the specific contract or grant program.
- Vehicle costs including lease cost (or depreciation and interest), insurance, gas, maintenance and repair costs are directly assigned to the cost center or object using the vehicle. Vehicle costs for motor pool vehicles are accumulated in a pooled cost center and allocated to cost centers based on actual mileage used by each cost center or cost object.
- Administrative Service Contract Costs including consulting, audit, legal, etc. are directly assigned to administrative cost centers according to management responsibility in the organization chart.
- Telephone and Other Communication Costs - Office-based telephone systems including long distance cost is assigned to the respective Facility Pooled Cost Center and allocated on the basis of square feet. Cost for cell phones, pagers, etc. are directly assigned to the cost center or cost object where the user works.
- Employee-Related Costs including training, education, conferences, travel, etc. are assigned to the cost center where the employee works. Agency-wide internal trainings related to direct services and supports are assigned to a direct service pooled cost center and allocated to other direct service cost centers on the basis of direct service full time equivalent employees. Other agency-wide internal trainings not related to direct services are assigned to administration.
- Supplies – Routine supplies commonly used by all cost centers are accumulated in an indirect cost pool and allocated to all applicable cost centers on the basis of full time equivalent employees. Non-routine supplies purchased exclusively for a single

**Summit Pointe and Venture Behavioral Health  
COST ALLOCATION PLAN for FY2007 Budget**

---

cost center or cost object are directly assigned in the accounts payable system to that cost center or object.

- Equipment costs (non-capitalized) are assigned to the cost center or cost object for which the equipment is to be used or, if usage is common to the agency, is assigned to agency operations pooled cost center and allocated to departments on the basis of FTEs. Capital expenditures, those in excess of \$5,000 and with a useful life of more than one year, are capitalized and depreciated.
- Depreciation expense is computed on capitalized assets on the straight-line basis and amortized over their respective useful lives. Assets acquired before October 1, 2002, the effective date of GASB #34, are depreciated only for financial statement purposes and this depreciation is excluded from MDCH cost reconciliation and settlement. Capital assets are those that have an acquisition value in excess of \$5000 and a useful life of two or more years. Depreciation expense for facilities is charged to the respective Facility Pooled Cost Center and allocated on the basis of square feet. Depreciation for furniture and equipment is charged to the Agency Operations Pooled Cost Center and allocated in the basis of FTEs.

***Allocation Basis***

A number of statistical allocation bases are compiled, used and maintained for purpose of cost finding and allocation. These include:

**Direct Service Units**

Supports and services provided by direct operated, internal clinical service cost centers are captured in the form of encounters. These are designated by common coding procedures, policies and protocols (CPT, HCPCS, etc.) with varying standard units of measurement or duration. Encounter units are accumulated by cost center in the clinical billing system and are used in cost finding to apportion internal, direct-operated, direct service costs on a departmental basis to contract program cost pools (Medicaid, State GF, etc.) based on the program eligibility and covered benefit of the individual being served. The apportionment using direct service units is the ratio of program units to total units applied to cost (RUUAC) on a departmental basis.

**SUMMIT POINTE  
Units Based Apportionment**

<u>CC#</u>		<u>Medicaid</u>	<u>GF</u>	<u>MiChild</u>	<u>ABW</u>	<u>QHP</u>	<u>Other</u>
	<b><u>RUUAC%</u></b>						
2104	Specialized Residential	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2045	Medical Services	39.97%	7.34%	0.17%	2.18%	3.94%	46.39%
2216	Assertive Community Treatment	95.26%	3.41%	0.00%	1.32%	0.00%	0.00%



**Summit Pointe and Venture Behavioral Health  
COST ALLOCATION PLAN for FY2007 Budget**

2302	Supports Coordination Team	88.98%	8.92%	0.00%	1.98%	0.00%	0.11%
2314	Connections	51.54%	44.16%	0.00%	4.30%	0.00%	0.00%
2317	Connections-VA Laundry	46.70%	49.89%	0.00%	3.30%	0.00%	0.11%
2420	Battle Creek Outpatient	29.57%	12.27%	1.25%	11.28%	16.52%	29.12%
2440	BHR-Lakeview	22.19%	11.97%	1.08%	5.05%	13.06%	46.65%
2444	Senior Behavioral Health	60.36%	37.99%	0.00%	1.65%	0.00%	0.00%
2462	Albion Outpatient	14.31%	4.92%	0.75%	6.17%	13.96%	59.89%
3240	Multi-Systemic Treatment (MST)	47.92%	52.08%	0.00%	0.00%	0.00%	0.00%

**Square Feet Occupied**

Square Footage statistics are used in cost finding to allocate certain facility and other indirect cost pools. Square footage is based on space occupied, with common space and unoccupied space within each facility spread proportionally to the cost centers occupying the respective facility, and rented space assigned to the cost center or object receiving the rental income (revenue / cost matching). Square footage is determined annually in the budget planning process and unchanged during the fiscal year unless a major reconfiguration of facility space or occupancy occurs.

The Schedule of Square Feet Occupied is as follows:

**SUMMIT POINTE  
Cost Allocation Plan - FY07 Budget  
Schedule of Allocation Statistics**

<u>CC#</u>	<u>Cost Center Name</u>	<u>Gross Square Feet</u>		
		<u>Downtown</u>	<u>Lakeview</u>	<u>Albion</u>
2045	Medical Services	778	2,301	-
2050	Bridges	83	-	-
2104	Specialized Residential	395	-	-
2216	Assertive Community Treatment	868	-	-
2302	Supports Coordination Team	1,175	-	2,250
2314	Connections	379	-	-
2406	Youth Team	487	-	-
2420	Battle Creek Outpatient	1,227	-	-
2440	BHR-Lakeview	-	11,038	-
2462	Albion Outpatient	-	-	7,250
3240	Multi-Systemic Treatment (MST)	247	-	-
8100	Professional Services Support	597	1,161	500
8110	Outpatient Services Support	90	1,218	-
8170	Administrative, Finance	610	-	-
8374	Administrative, General	2,654	365	-

**Summit Pointe and Venture Behavioral Health  
COST ALLOCATION PLAN for FY2007 Budget**

---

**SUMMIT POINTE  
Cost Allocation Plan - FY07 Budget  
Schedule of Allocation Statistics**

<u>CC#</u>	<u>Cost Center Name</u>	<u>Gross Square Feet</u>		
		<u>Downtown</u>	<u>Lakeview</u>	<u>Albion</u>
8400	Administrative, Quality	128	-	-
8500	Administrative, Comm Ed	372	-	-
8976	New Business Development	536	156	-
	<b>Total</b>	<b><u>10,626</u></b>	<b><u>16,240</u></b>	<b><u>10,000</u></b>

Note: Albion square feet are not actual amounts, they are percentages multiplied by 1000 for relative comparability.

**Full-Time Equivalent Employees (FTEs)**

Full-time equivalent employees are used in cost finding to allocate certain common operating or overhead costs. The paid FTE statistic is fixed annually based on budget and modified during the fiscal year only for significant changes in staffing or cost center assignments. For statistical purposes where needed, FTEs are counted based on the location where they work.

The Schedule of Full Time Equivalent (FTE) Employees by Location is as follows:

**SUMMIT POINTE  
Cost Allocation Plan - FY07 Budget  
Schedule of Allocation Statistics**

<u>CC#</u>	<u>Cost Center Name</u>	<u>Full Time Equivalent Employees</u>				<u>Total FTEs</u>
		<u>Downtown</u>	<u>Lakeview</u>	<u>Albion</u>	<u>Other</u>	
1040	VBH-Quality Management	-	-	-	1.00	1.00
2050	Bridges	4.50	-	-	-	4.50
2104	Specialized Residential Assertive Community	3.00	-	-	-	3.00
2216	Treatment	7.00	-	-	-	7.00
2302	Supports Coordination Team	20.00	-	1.00	-	21.00
2314	Connections	7.00	-	-	-	7.00
2315	Connections-Federal Center	-	-	-	2.00	2.00
2317	Connections-VA Laundry	-	-	-	2.00	2.00

**Summit Pointe and Venture Behavioral Health  
COST ALLOCATION PLAN for FY2007 Budget**

---

**SUMMIT POINTE  
Cost Allocation Plan - FY07 Budget  
Schedule of Allocation Statistics**

<u>CC#</u>	<u>Cost Center Name</u>	<u>Full Time Equivalent Employees</u>				<u>Total</u>
		<u>Downtown</u>	<u>Lakeview</u>	<u>Albion</u>	<u>Other</u>	<u>FTEs</u>
2406	Youth Team	4.00	-	-	-	4.00
2420	Battle Creek Outpatient	3.00	-	-	-	3.00
2440	BHR-Lakeview	-	4.00	-	-	4.00
2444	Senior Behavioral Health	-	-	-	6.00	6.00
2462	Albion Outpatient	-	-	2.50	-	2.50
3110	OBRA/PASARR Evaluations	-	-	-	2.00	2.00
3122	PATH / Homeless Housing	-	-	-	2.25	2.25
3130	HUD Grant	-	-	-	0.25	0.25
8100	Professional Services Support	5.00	-	1.00	-	6.00
8110	Outpatient Services Support	-	16.50	-	-	16.50
8170	Administrative, Finance	5.00	-	-	-	5.00
8374	Administrative, General	12.50	1.00	-	-	13.50
8500	Administrative, Comm Ed	1.00	-	-	-	1.00
8976	New Business Development	2.00	-	-	-	2.00
	<b>Total</b>	<b><u>75.00</u></b>	<b><u>20.50</u></b>	<b><u>4.50</u></b>	<b><u>15.50</u></b>	<b><u>115.50</u></b>

**Salaries and Wages**

Salary cost is used as the basis for allocation of fringe benefits. Salary cost used for the allocation is actual salaries for the period derived from the general ledger from the payroll system based on the labor cost distribution according with concurrent time records for charging time and payroll to the cost centers or cost objects where the employee worked.

**Summit Pointe and Venture Behavioral Health  
COST ALLOCATION PLAN for FY2007 Budget**

---

**GENERAL OVERHEAD POOLED COST ALLOCATIONS**

The following section contains Exhibits and descriptions of the General Overhead Indirect Pooled Cost Allocations.

**Fringe Benefit Allocation (CC# 9120)**

Summit Pointe provides a fringe benefit package for employees. The Fringe Benefit Allocation includes Health, Dental, Life, and Sickness and Accident Insurance, Employer Medicare Tax, Unemployment Tax, Workers Compensation, Employer Pension Expense and 401k Match Expense. The costs are allocated to each cost center based on the percentage of salaries.

The costs included in this cost center, the allocation basis and the cost allocation is as follows:

**SUMMIT POINTE  
Cost Allocation Plan - FY07 Budget**

**Fringe Benefit Allocation based on Salary**

<u>CC#</u>	<u>Cost to be Allocated:</u>	
9120	Fringe Benefits	
<u>Acct#</u>	<u>Account Name</u>	<u>Amount</u>
6120		
0	Employer Medicare Tax	74,309
6130		
0	Unemployment Tax	21,000
6140		
0	Workers Compensation	15,000
6210		
0	Health Insurance	831,425
6220		
0	Dental Insurance	103,500
6230		
0	Life Insurance	24,250
6240		
0	Sickness & Accident Insurance	73,475
6250		
0	Employer Pension Expense	317,735
6251		
0	401k Match Expense	152,000
	<b>Total Cost to be Allocated</b>	<b><u>1,612,694</u></b>

<u>Acct#</u>	<u>Cost Allocation and Basis</u>	
62998	Fringe Benefit Allocation	Alloc Acct

**Summit Pointe and Venture Behavioral Health  
COST ALLOCATION PLAN for FY2007 Budget**

---

**SUMMIT POINTE  
Cost Allocation Plan - FY07 Budget**

**Fringe Benefit Allocation based on Salary**

62999	Allocated Benefits, Contra	Contr Acct
60010	Salaries, Management	Basis Acct
60050	Salaries, Clinician	Basis Acct
60090	Salaries, All Other	Basis Acct

<u>CC#</u>	<u>Cost Center Name</u>	<u>Salary</u>	<u>Allocation</u>
1040	VBH-Quality Management	54,642	17,195
2050	Bridges	190,333	59,895
2104	Specialized Residential Assertive Community	135,741	42,716
2216	Treatment	292,365	92,003
2302	Supports Coordination Team	763,688	240,323
2314	Connections	233,792	73,571
2315	Connections-Federal Center	71,198	22,405
2317	Connections-VA Laundry	68,370	21,515
2406	Youth Team	177,216	55,768
2412	Crisis On Call	100,000	31,469
2420	Battle Creek Outpatient	118,664	37,342
2440	BHR-Lakeview	175,802	55,322
2444	Senior Behavioral Health	224,557	70,665
2462	Albion Outpatient	102,866	32,371
3110	OBRA/PASARR Evaluations	95,659	30,103
3122	PATH / Homeless Housing	102,497	32,255
3130	HUD Grant	13,172	4,145
8100	Professional Services Support	177,861	55,970
8110	Outpatient Services Support	480,168	151,102
8170	Administrative, Finance	188,989	59,472
8374	Administrative, General	1,190,104	374,510
8500	Administrative, Comm Ed	65,000	20,455
8976	New Business Development	102,080	32,123
	<b>Total Allocated</b>	<b><u>5,124,763</u></b>	<b><u>1,612,694</u></b>

**Facility Downtown (CC#9131)**

Summit Pointe maintains a facility in downtown Battle Creek. The facility has 10,078 square feet of occupied space and houses direct service operations including Medical Services, Bridges, Specialized Residential, Assertive Community Treatment, Supports Coordination, Connections, Youth Team, Outpatient Services, Multi-Systemic Treatment, Professional Services Support (a direct service pooled cost) and Outpatient

**Summit Pointe and Venture Behavioral Health  
COST ALLOCATION PLAN for FY2007 Budget**

---

Support Services (a direct service pooled cost). The facility also houses indirect services including Executive Office, Administrative Services and New Business Development.

This allocation cost center contains three separate allocations. They are:

1. Facility Cost based on square feet occupied,
2. Facility Depreciation based on square feet occupied, and
3. Facility Operating Expense based on FTE Employees.

The costs included in this cost center, the allocation basis and the cost allocations are as follows:

**Downtown Facility Cost Allocation**

**SUMMIT POINTE  
Cost Allocation Plan - FY07 Budget**

**Downtown Facility Cost Allocation based on Sq Ft**

<u>cc#</u>	<u>Cost to be Allocated:</u>	
9131	Facility, Downtown	
<u>Acct#</u>	<u>Account Name</u>	<u>Amount</u>
8010		
0	Rent/Lease, Bldg Office	-
8020		
0	Rent/Lease, Equipment	30,000
8030		
0	Maintenance, Bldg & Equipment	200,600
8040		
0	Utilities	48,500
8050		
0	Custodial Service	10,000
8052		
0	Custodial Supplies	12,000
8053		
0	Refuse Service	7,000
8060		
0	Insurance & Bonds	37,203
8420		
0	Telephone	55,000
9970		
0	Interest Expense	-
	<b>Total Cost to be Allocated</b>	<b><u>400,303</u></b>

**Acct#      Cost Allocation and Basis**

**Summit Pointe and Venture Behavioral Health  
COST ALLOCATION PLAN for FY2007 Budget**

---

**SUMMIT POINTE  
Cost Allocation Plan - FY07 Budget**

**Downtown Facility Cost Allocation based on Sq Ft**

80991	Dwntrn Facility Allocation	Alloc Acct
80995	Allocd Dwntrn Facility, Contra	Contr Acct

<u>CC#</u>	<u>Cost Center Name</u>	<u>Sq Ft</u>	<u>Allocation</u>
2045	Medical Services	778	29,309
2050	Bridges	83	3,127
2104	Specialized Residential	395	14,880
2216	Assertive Community Treatment	868	32,699
2302	Supports Coordination Team	1,175	44,265
2314	Connections	379	14,278
2406	Youth Team	487	18,346
2420	Battle Creek Outpatient Multi-Systemic Treatment	1,227	46,224
3240	(MST)	247	9,305
8100	Professional Services Support	597	22,490
8110	Outpatient Services Support	90	3,390
8170	Administrative, Finance	610	22,980
8374	Administrative, General	2,654	99,982
8400	Administrative, Quality	128	4,822
8500	Administrative, Comm Ed	372	14,014
8976	New Business Development	536	20,192
	<b>Total Allocated</b>	<b><u>10,626</u></b>	<b><u>400,303</u></b>

**Downtown Facility Depreciation Allocation**

**SUMMIT POINTE  
Cost Allocation Plan - FY07 Budget**

**Downtown Facility Depreciation Allocation based on Sq Ft**

<u>cc#</u>	<u>Cost to be Allocated:</u>
9131	Facility, Downtown

<u>Acct#</u>	<u>Account Name</u>	<u>Amount</u>
9990		
0	Depreciation Expense-Buildings	86,041
9990		
7	Deprec Exp-Curr Outlay Buildin	-

**Summit Pointe and Venture Behavioral Health  
COST ALLOCATION PLAN for FY2007 Budget**

---

**SUMMIT POINTE  
Cost Allocation Plan - FY07 Budget**

**Downtown Facility Depreciation Allocation based on Sq Ft**

**Total Cost to be Allocated** 86,041

**Acct#      Cost Allocation and Basis**

99909	Depreciation Allocation	Alloc Acct
99910	Allocd Depreciation, Contra	Contr Acct

<u>CC#</u>	<u>Cost Center Name</u>	<u>Sq Ft</u>	<u>Allocation</u>
2045	Medical Services	778	6,300
2050	Bridges	83	672
2104	Specialized Residential	395	3,198
2216	Assertive Community Treatment	868	7,028
2302	Supports Coordination Team	1,175	9,514
2314	Connections	379	3,069
2406	Youth Team	487	3,943
2420	Battle Creek Outpatient Multi-Systemic Treatment	1,227	9,935
3240	(MST)	247	2,000
8100	Professional Services Support	597	4,834
8110	Outpatient Services Support	90	729
8170	Administrative, Finance	610	4,939
8374	Administrative, General	2,654	21,490
8400	Administrative, Quality	128	1,036
8500	Administrative, Comm Ed	372	3,012
8976	New Business Development	536	4,340
	<b>Total Allocated</b>	<u><u>10,626</u></u>	<u><u>86,041</u></u>

**Downtown Facility Operating Allocation**

**SUMMIT POINTE  
Cost Allocation Plan - FY07 Budget**

**Downtown Facility Operating Cost Allocation based on FTEs**

**CC#      Cost to be Allocated:**

9131	Facility, Downtown
------	--------------------

<u>Acct#</u>	<u>Account Name</u>	<u>Amount</u>
--------------	---------------------	---------------



**Summit Pointe and Venture Behavioral Health  
COST ALLOCATION PLAN for FY2007 Budget**

---

**SUMMIT POINTE  
Cost Allocation Plan - FY07 Budget**

**Downtown Facility Operating Cost Allocation based on FTEs**

8500		
0	Office Supplies	10,000
8552		
0	Subscriptions and Publications	-
	<b>Total Cost to be Allocated</b>	<b><u>10,000</u></b>

<b><u>Acct#</u></b>	<b><u>Cost Allocation and Basis</u></b>	
80991	Dwntn Facility Allocation	Alloc Acct
80995	Allocd Dwntwn Facility, Contra	Contr Acct

<b><u>CC#</u></b>	<b><u>Cost Center Name</u></b>	<b><u>FTEs</u></b>	<b><u>Allocation</u></b>
2050	Bridges	4.50	600
2104	Specialized Residential Assertive Community	3.00	400
2216	Treatment	7.00	933
2302	Supports Coordination Team	20.00	2,667
2314	Connections	7.00	933
2406	Youth Team	4.00	533
2420	Battle Creek Outpatient	3.00	400
8100	Professional Services Support	6.00	800
8170	Administrative, Finance	5.00	667
8374	Administrative, General	12.50	1,667
8500	Administrative, Comm Ed	1.00	133
8976	New Business Development	<u>2.00</u>	<u>267</u>
	<b>Total Allocated</b>	<b><u>75.00</u></b>	<b><u>10,000</u></b>

**Lakeview Facility Costs (CC# 9132)**

Summit Pointe maintains a facility in the Lakeview area of Battle Creek. The facility has 16,240 square feet of available space and houses direct service operations including Outpatient Services, Medical Services, Professional Services Support (a direct service pooled cost) and Outpatient Support Services (a direct service pooled cost). The facility also houses indirect services including Administrative Services and New Business Development.

This allocation cost center contains three separate allocations. They are:

4. Facility Cost based on square feet occupied,
5. Facility Depreciation based on square feet occupied, and

**Summit Pointe and Venture Behavioral Health  
COST ALLOCATION PLAN for FY2007 Budget**

---

6. Facility Operating Expense based on FTE Employees.

The costs included in this cost center, the allocation basis and the cost allocations are as follows:

**Lakeview Facility Cost Allocation**

**SUMMIT POINTE  
Cost Allocation Plan - FY07 Budget**

**Lakeview Facility Cost Allocation based on Sq Ft**

<u>CC#</u>	<u>Cost to be Allocated:</u>	
9132	Facility, Lakeview	
<u>Acct#</u>	<u>Account Name</u>	<u>Amount</u>
8010		
0	Rent/Lease, Bldg Office	180,000
8020		
0	Rent/Lease, Equipment	5,000
8030		
0	Maintenance, Bldg & Equipment	107,800
8040		
0	Utilities	28,500
8050		
0	Custodial Service	15,000
8052		
0	Custodial Supplies	3,500
8053		
0	Refuse Service	3,500
8060		
0	Insurance & Bonds	13,940
8420		
0	Telephone	40,000
9970		
0	Interest Expense	-
	<b>Total Cost to be Allocated</b>	<b><u>397,240</u></b>

<u>Acct#</u>	<u>Cost Allocation and Basis</u>	
80992	Lkvw Facility Allocation	Alloc Acct
80996	Allocd Lkview Facility, Contra	Contr Acct

<u>CC#</u>	<u>Cost Center Name</u>	<u>Sq Ft</u>	<u>Allocation</u>
2045	Medical Services	2,301	56,289
2440	BHR-Lakeview	11,038	270,004
8100	Professional Services Support	1,161	28,403
8110	Outpatient Services Support	1,218	29,793

**Summit Pointe and Venture Behavioral Health  
COST ALLOCATION PLAN for FY2007 Budget**

---

**SUMMIT POINTE  
Cost Allocation Plan - FY07 Budget**

**Lakeview Facility Cost Allocation based on Sq Ft**

8374	Administrative, General	365	8,938
8976	New Business Development	<u>156</u>	<u>3,814</u>
	<b>Total Allocated</b>	<b><u><u>16,240</u></u></b>	<b><u><u>397,240</u></u></b>

**Lakeview Facility Depreciation Allocation**

**SUMMIT POINTE  
Cost Allocation Plan - FY07 Budget**

**Lakeview Facility Depreciation Allocation based on Sq Ft**

**CC#      Cost to be Allocated:**

9132      Facility, Lakeview

<u>Acct#</u>	<u>Account Name</u>	<u>Amount</u>
9990	Deprec Exp-Leasehold	
4	Improveme	15,960
9990		
8	Deprec Exp-Curr Outlay Leaseho	<u>-</u>
	<b>Total Cost to be Allocated</b>	<b><u><u>15,960</u></u></b>

**Acct#      Cost Allocation and Basis**

99909      Depreciation Allocation      Alloc Acct  
99910      Allocd Depreciation, Contra      Contr Acct

<u>CC#</u>	<u>Cost Center Name</u>	<u>Sq Ft</u>	<u>Allocation</u>
2045	Medical Services	2,301	2,262
2440	BHR-Lakeview	11,038	10,848
8100	Professional Services Support	1,161	1,141
8110	Outpatient Services Support	1,218	1,197
8374	Administrative, General	365	359
8976	New Business Development	<u>156</u>	<u>153</u>
	<b>Total Allocated</b>	<b><u><u>16,240</u></u></b>	<b><u><u>15,960</u></u></b>

**Summit Pointe and Venture Behavioral Health  
COST ALLOCATION PLAN for FY2007 Budget**

---

**Lakeview Facility Operating Allocation**

**SUMMIT POINTE  
Cost Allocation Plan - FY07 Budget**

**Lakeview Facility Operating Cost Allocation based on FTEs**

**CC#      Cost to be Allocated:**

9132      Facility, Lakeview

<u>Acct#</u>	<u>Account Name</u>	<u>Amount</u>
8500		
0	Office Supplies	10,000
8552	Subscriptions and	
0	Publications	-
	<b>Total Cost to be Allocated</b>	<b><u>10,000</u></b>

**Acct#      Cost Allocation and Basis**

80992	Lkwv Facility Allocation	Alloc Acct
80996	Allocd Lkview Facility, Contra	Contr Acct

<u>CC#</u>	<u>Cost Center Name</u>	<u>FTEs</u>	<u>Allocation</u>
2440	BHR-Lakeview	4.00	1,951
8110	Outpatient Services Support	15.50	7,561
8374	Administrative, General	1.00	488
	<b>Total Allocated</b>	<b><u>20.50</u></b>	<b><u>10,000</u></b>

**Albion Facility Costs (CC# 9133)**

Summit Pointe maintains a leased facility in Albion. The facility houses direct service operations including Case Management, Outpatient Services and Professional Services Support (a direct service pooled cost).

This allocation cost center contains three separate allocations. They are:

7. Facility Cost based on square feet occupied,
8. Facility Depreciation based on square feet occupied, and
9. Facility Operating Expense based on FTE Employees.

The costs included in this cost center, the allocation basis and the cost allocations are as follows:

**Summit Pointe and Venture Behavioral Health  
COST ALLOCATION PLAN for FY2007 Budget**

---

**Albion Facility Cost Allocation**

**SUMMIT POINTE  
Cost Allocation Plan - FY07 Budget**

**Albion Facility Cost Allocation based on Sq Ft**

**CC#      Cost to be Allocated:**

9133      Facility, Albion

<u>Acct#</u>	<u>Account Name</u>	<u>Amount</u>
8010		
0	Rent/Lease, Bldg Office	105,000
8020		
0	Rent/Lease, Equipment	6,000
8030	Maintenance, Bldg &	
0	Equipment	72,800
8040		
0	Utilities	12,150
8050		
0	Custodial Service	-
8052		
0	Custodial Supplies	1,500
8053		
0	Refuse Service	1,750
8060		
0	Insurance & Bonds	10,884
8420		
0	Telephone	13,000
9970		
0	Interest Expense	-
	<b>Total Cost to be Allocated</b>	<b><u><u>223,084</u></u></b>

**Acct#      Cost Allocation and Basis**

80993      Albion Facility Allocation      Alloc Acct  
80997      Allocd Albion Facility, Contra      Contr Acct

<u>CC#</u>	<u>Cost Center Name</u>	<u>Sq Ft</u>	<u>Allocation</u>
2302	Supports Coordination Team	2,250	50,194
2462	Albion Outpatient	7,250	161,736
8100	Professional Services Support	500	11,154
	<b>Total Allocated</b>	<b><u><u>10,000</u></u></b>	<b><u><u>223,084</u></u></b>

**Summit Pointe and Venture Behavioral Health  
COST ALLOCATION PLAN for FY2007 Budget**

---

**Albion Facility Depreciation Allocation**

**SUMMIT POINTE  
Cost Allocation Plan - FY07 Budget**

**Albion Facility Depreciation Allocation based on Sq Ft**

**CC#      Cost to be Allocated:**

9133      Facility, Albion

<u>Acct#</u>	<u>Account Name</u>	<u>Amount</u>
9990	Deprec Exp-Leasehold	
4	Improveme	3,034
9990		
8	Deprec Exp-Curr Outlay Leaseho	-
	<b>Total Cost to be Allocated</b>	<b><u>3,034</u></b>

**Acct#      Cost Allocation and Basis**

99909	Depreciation Allocation	Alloc Acct
99910	Allocd Depreciation, Contra	Contr Acct

<u>CC#</u>	<u>Cost Center Name</u>	<u>Sq Ft</u>	<u>Allocation</u>
2302	Supports Coordination Team	2,250	683
2462	Albion Outpatient	7,250	2,200
8100	Professional Services Support	500	152
	<b>Total Allocated</b>	<b><u>10,000</u></b>	<b><u>3,034</u></b>

**Albion Facility Operating Allocation**

**SUMMIT POINTE  
Cost Allocation Plan - FY07 Budget**

**Albion Facility Operating Cost Allocation based on FTEs**

**CC#      Cost to be Allocated:**

9133      Facility, Albion

<u>Acct#</u>	<u>Account Name</u>	<u>Amount</u>
8500		
0	Office Supplies	4,000
8552	Subscriptions and	
0	Publications	-
	<b>Total Cost to be Allocated</b>	<b><u>4,000</u></b>

**Summit Pointe and Venture Behavioral Health  
COST ALLOCATION PLAN for FY2007 Budget**

---

**SUMMIT POINTE  
Cost Allocation Plan - FY07 Budget**

**Albion Facility Operating Cost Allocation based on FTEs**

<u>Acct#</u>	<u>Cost Allocation and Basis</u>		
80993	Albion Facility Allocation	Alloc Acct	
80997	Allocd Albion Facility, Contra	Contr Acct	

<u>CC#</u>	<u>Cost Center Name</u>	<u>FTEs</u>	<u>Allocation</u>
2302	Supports Coordination Team	1.00	889
2462	Albion Outpatient	2.50	2,222
8100	Professional Services Support	1.00	889
	<b>Total Allocated</b>	<b>4.50</b>	<b>4,000</b>

**Vehicle Costs (CC# 9140)**

Summit Pointe maintains a fleet of vehicles consisting of one owned truck, one owned van, six leased vans and one leased truck. The vehicles are used between all three sites and are assigned to the Connections, ACT, Case Management, General Administration, and Senior Behavioral Health teams. The costs are allocated by percent of budgeted usage and expense for each respective team.

The costs included in this cost center (9140), the allocation basis and the cost allocation is as follows:

**SUMMIT POINTE  
Cost Allocation Plan - FY07 Budget**

**Vehicle Cost Allocation based on % Analysis**

<u>cc#</u>	<u>Cost to be Allocated:</u>	
9140	Vehicle	

<u>Acct#</u>	<u>Account Name</u>	<u>Amount</u>
8200		
0	Vehicle Lease	34,689
8201		
0	Vehicle Maint & Repairs	5,000
8202		
0	Vehicle Gasoline	18,000
8203	Vehicle Insurance	12,000

**Summit Pointe and Venture Behavioral Health  
COST ALLOCATION PLAN for FY2007 Budget**

---

**SUMMIT POINTE  
Cost Allocation Plan - FY07 Budget**

**Vehicle Cost Allocation based on % Analysis**

0

**Total Cost to be Allocated** 69,689

<u>Acct#</u>	<u>Cost Allocation and Basis</u>	
82098	Vehicle Cost Allocation	Alloc Acct
82099	Allocated Vehicle Cost, Contra	Contr Acct

<u>CC#</u>	<u>Cost Center Name</u>	<u>% of Use</u>	<u>Allocation</u>
2314	Connections Assertive Community	11.88%	8,279
2216	Treatment	24.86%	17,325
2302	Supports Coordination Team	37.44%	26,091
2444	Senior Behavioral Health	12.69%	8,844
8374	Administrative, General	13.13%	9,150
	<b>Total Allocated</b>	<b><u>100.00%</u></b>	<b><u>69,689</u></b>

**Agency Operations Costs (CC# 9150)**

Agency Operations (9150) contain expenses used agency wide such as Employee Development, Meeting Expenses, Community Education Services, Postage Expenses, Computer Supplies & Repairs, Dues and Memberships, Furniture & Equipment Depreciation and Computer Depreciation. Expenses in this cost center are allocation on the basis of FTE's.

The costs included in this cost center, the allocation basis and the cost allocation is as follows:

**SUMMIT POINTE  
Cost Allocation Plan - FY07 Budget**

**Agency Operations based on FTE Employees**

<u>cc#</u>	<u>Cost to be Allocated:</u>
9150	Agency Operations

<u>Acct#</u>	<u>Account Name</u>	<u>Amount</u>
8420		
0	Telephone	-



**Summit Pointe and Venture Behavioral Health  
COST ALLOCATION PLAN for FY2007 Budget**

---

**SUMMIT POINTE  
Cost Allocation Plan - FY07 Budget**

**Agency Operations based on FTE Employees**

8440			
0	Employee Development		-
8442			
0	Meeting Expense		4,000
8480			
0	Community Education		-
8481			
0	Community Education Services		-
8500			
0	Office Supplies		-
8501			
0	Postage Expense		500
8510			
0	Computer Supplies and Repairs		15,000
8511			
0	Computer Equipment Purchase		70,000
8512			
0	Computer Software Purchase		30,000
8520			
0	Furniture & Equipment Purchase		50,000
8551			
0	Dues and Memberships		20,000
8552			
0	Subscriptions and Publications		-
	<b>Total Cost to be Allocated</b>		<b><u>189,500</u></b>

**Acct#      Cost Allocation and Basis**

89998	Agency Allocation	Alloc Acct
89999	Allocd Agency Operatns, Contra	Contr Acct

<b><u>CC#</u></b>	<b><u>Cost Center Name</u></b>	<b><u>FTEs</u></b>	<b><u>Allocation</u></b>
1040	VBH-Quality Management	1.00	1,641
2050	Bridges	4.50	7,383
2104	Specialized Residential	3.00	4,922
2216	Assertive Community Treatment	7.00	11,485
2302	Supports Coordination Team	21.00	34,455
2314	Connections	7.00	11,485
2315	Connections-Federal Center	2.00	3,281
2317	Connections-VA Laundry	2.00	3,281
2406	Youth Team	4.00	6,563
2420	Battle Creek Outpatient	3.00	4,922
2440	BHR-Lakeview	4.00	6,563
2444	Senior Behavioral Health	6.00	9,844
2462	Albion Outpatient	2.50	4,102

**Summit Pointe and Venture Behavioral Health  
COST ALLOCATION PLAN for FY2007 Budget**

---

**SUMMIT POINTE  
Cost Allocation Plan - FY07 Budget**

**Agency Operations based on FTE Employees**

3110	OBRA/PASARR Evaluations	2.00	3,281
3122	PATH / Homeless Housing	2.25	3,692
3130	HUD Grant	0.25	410
8100	Professional Services Support	6.00	9,844
8110	Outpatient Services Support	16.50	27,071
8170	Administrative, Finance	5.00	8,203
8374	Administrative, General	13.50	22,149
8500	Administrative, Comm Ed	1.00	1,641
8976	New Business Development	2.00	3,281
	<b>Total Allocated</b>	<b>116</b>	<b>189,500</b>

**Information Systems (CC# 9151)**

Information Systems (CC# 9151) includes contract costs to provide software development, operating supports and help desk services. Included in these are computer system costs for clinical direct service and administrative cost centers. Summit Pointe implemented an electronic medical record (EMR). Information systems support of clinical direct services constitutes support of EMR functions.

The costs included in this cost center, the allocation basis and the cost allocation is as follows:

**SUMMIT POINTE  
Cost Allocation Plan - FY07 Budget**

**Information Systems (EMR) Allocation based on FTEs**

**CC#      Cost to be Allocated:**

9151      Information Systems

<u>Acct#</u>	<u>Account Name</u>	<u>Amount</u>
8402		
0	Information Systems Contracts	900,000
	<b>Total Cost to be Allocated</b>	<b>900,000</b>

**Acct#      Cost Allocation and Basis**

84098	Agency Contracts Allocation	Alloc Acct
84099	Allocated Agency Contracts Contra	Contr Acct

**Summit Pointe and Venture Behavioral Health  
COST ALLOCATION PLAN for FY2007 Budget**

---

**SUMMIT POINTE  
Cost Allocation Plan - FY07 Budget**

**Information Systems (EMR) Allocation based on FTEs**

<u>CC#</u>	<u>Cost Center Name</u>	<u>FTEs</u>	<u>Allocation</u>
1040	VBH-Quality Management	1.00	7,792
2050	Bridges	4.50	35,065
2104	Specialized Residential Assertive Community	3.00	23,377
2216	Treatment	7.00	54,545
2302	Supports Coordination Team	21.00	163,636
2314	Connections	7.00	54,545
2315	Connections-Federal Center	2.00	15,584
2317	Connections-VA Laundry	2.00	15,584
2406	Youth Team	4.00	31,169
2420	Battle Creek Outpatient	3.00	23,377
2440	BHR-Lakeview	4.00	31,169
2444	Senior Behavioral Health	6.00	46,753
2462	Albion Outpatient	2.50	19,481
3110	OBRA/PASARR Evaluations	2.00	15,584
3122	PATH / Homeless Housing	2.25	17,532
3130	HUD Grant	0.25	1,948
8100	Professional Services Support	6.00	46,753
8110	Outpatient Services Support	16.50	128,571
8170	Administrative, Finance	5.00	38,961
8374	Administrative, General	13.50	105,195
8500	Administrative, Comm Ed	1.00	7,792
8976	New Business Development	2.00	15,584
	<b>Total Allocated</b>	<b><u>115.50</u></b>	<b><u>900,000</u></b>

## **DIRECT SERVICE COST**

### ***Direct Service Pooled Cost***

The following cost centers are designated as direct service pooled cost.

#### **Professional Services Support (CC# 8100)**

The Professional Services Support team provides clerical support to clinical teams. The members of this team greet customers, schedule appointments, answer to the customers' inquiries by phone. Staffing in this cost center consists of clerical workers. Director of Professional Services reported in Cost Center #8374 supervises this team.

#### **Outpatient Services Support (CC# 8110)**

The Outpatient Services Support team provides clerical support and reimbursement services to the outpatient, medical services, and other clinical teams. The members of this team greet customers, schedule appointments, answer to the customers' inquiries by phone, and perform billing and collection functions. Staffing in this cost center consists of clerical workers. The Director of Clinic Operations reported in Cost Center #8374 supervises this team.

To comply with administrative definitions of Section 460, the reimbursement functions (billing and collection) in this cost center are reclassified to Administration. The remainder of this cost center is properly designated as a direct service indirect cost. The separation of costs for these functions is demonstrated as follows:

### **SUMMIT POINTE** **COST ALLOCATION PLAN**

*Functional Cost Finding & Re-Assignment*

<u>CC#</u>	<u>DESCRIPTION</u>	<u>Allocation Basis Used</u>	<u>TOTAL</u>	<u>Reimbursement (Program Admin)</u>	<u>Direct Service Indirect Cost</u>
<b>8110</b>	<b>Outpatient Services Support</b>				
	TOTAL FTE Employees		<u>16.50</u>	<u>5.00</u>	<u>11.50</u>
		FTE%		30.3%	69.7%
<u>Acct#</u>	<u>OPERATING EXPENSES</u>				
60070	Salaries, Merit	FTE%	40,700	12,333	28,367
60090	Salaries, All Other	FTE%	480,168	145,505	334,663

**Summit Pointe and Venture Behavioral Health  
COST ALLOCATION PLAN for FY2007 Budget**

**SUMMIT POINTE  
COST ALLOCATION PLAN**

*Functional Cost Finding & Re-Assignment*

<u>CC#</u>	<u>DESCRIPTION</u>	<u>Allocation Basis Used</u>	<u>TOTAL</u>	<u>Reimbursement (Program Admin)</u>	<u>Direct Service Indirect Cost</u>
62998	Fringe Benefit Allocation	FTE%	151,102	45,789	105,314
80991	Dwnntn Facility Allocation	FTE%	3,563	1,080	2,483
80992	Lkvw Facility Allocation	FTE%	71,993	21,816	50,177
80993	Albion Facility Allocation	FTE%	12,043	3,649	8,394
70000	Temporary Employment Agencies	FTE%	-	-	-
84003	Billing & Collections Services	100% Adm	1,000	1,000	-
84098	Agency Contracts Allocation	FTE%	129,690	39,300	90,390
84410	Employee Education & Travel	FTE%	23,239	7,042	16,197
84610	Just Mileage Expense	FTE%	1,000	303	697
85000	Office Supplies	FTE%	3,000	909	2,091
85010	Postage Expense	FTE%	10,000	3,030	6,970
85510	Dues and Memberships	FTE%	500	152	348
85520	Subscriptions and Publications	FTE%	500	152	348
89998	Agency Allocation	FTE%	27,307	8,275	19,032
99909	Depreciation Allocation	FTE%	38,384	11,631	26,752
	<b>Total Operating Expenses</b>	-	<b>994,189</b>	<b>301,966</b>	<b>692,223</b>
<b>8110</b>	<b>DCH COST ADJUSTMENTS</b>	Acc cost	<b>(10,958)</b>	<b>(3,328)</b>	<b>(7,629)</b>
	<b>Cost for DCH Report</b>		<b><u>983,232</u></b>	<b><u>298,638</u></b>	<b><u>684,593</u></b>

**Allocation of Direct Service Pooled Cost**

**Summit Pointe and Venture Behavioral Health  
COST ALLOCATION PLAN for FY2007 Budget**

---

**SUMMIT POINTE  
Cost Allocation Plan - FY07 Budget**

**Program Pooled Cost Allocation**

<u>CC#</u>	<u>Cost to be Allocated:</u>	<u>Amount</u>
810		
0	Professional Services Support	379,746
811		
0	Outpatient Services Support	994,189
	Depreciation on Pre-GASB #34 capital assets	(16,032)
	Cost for Reimbursement functions reclassified to Admin	(298,638)
	<b>Total Cost to be Allocated</b>	<b><u>1,059,265</u></b>

<u>CC#</u>	<u>Cost Allocation and Basis</u>	<u>MTDC</u>	<u>Amount</u>
210			
4	Specialized Residential	410,453	37,555
204			
5	Medical Services	1,744,539	159,618
205			
0	Bridges	451,462	41,307
221			
6	Assertive Community Treatment	617,384	56,488
230			
2	Supports Coordination Team	1,595,894	146,018
231			
4	Connections	518,586	47,449
231			
5	Connections-Federal Center	295,555	27,042
231			
7	Connections-VA Laundry	240,864	22,038
240			
6	Youth Team	823,602	75,356
241			
2	Crisis On Call	183,777	16,815
242			
0	Battle Creek Outpatient	432,337	39,557
244			
0	BHR-Lakeview	1,579,846	144,550
244			
1	Intake Unit	66,041	6,042
244			
4	Senior Behavioral Health	512,807	46,920
245			
0	Senior Assessment Center	108,141	9,894
246			
2	Albion Outpatient	375,755	34,380
263	Prevention Coordinator	760,000	69,537

**Summit Pointe and Venture Behavioral Health  
COST ALLOCATION PLAN for FY2007 Budget**

---

**SUMMIT POINTE  
Cost Allocation Plan - FY07 Budget**

**Program Pooled Cost Allocation**

0			
311			
0	OBRA/PASARR Evaluations	291,207	26,644
312			
2	PATH / Homeless Housing	188,411	17,239
313			
0	HUD Grant	88,363	8,085
317			
0	MSHDA Grant	-	-
324			
0	Multi-Systemic Treatment (MST)	<u>292,154</u>	<u>26,731</u>
	<b>Total Allocated</b>	<b><u>11,577,176</u></b>	<b><u>1,059,265</u></b>

<b><u>Modifications made above to Allocation Basis</u></b>	<b><u>MTDC</u></b>
<b>COST FOR MDCH before allocation</b>	<b>13,538,176</b>
2104 Exclude Contract Programs - Local Match	(400,000)
2314 Exclude Connections Customer Wage	(200,000)
2315 Exclude Connections Customer Wage	(596,000)
2317 Exclude Connections Customer Wage	(680,000)
3240 Exclude Contract Programs - Local Match	<u>(85,000)</u>
<b>Modified Total Direct Cost Basis</b>	<b><u>11,577,176</u></b>

***Direct Operated Programs***

Summit Pointe directly operates a number of departments that provide direct service to consumers.

Services provided for eligible individuals covered by managed care contracts are costed and apportioned on the basis of contract units to total units applied to total cost (RUUAC). This RUUAC apportionment is performed twice – first, with respect to direct service costs, and second, with respect to administrative costs as defined by Section 460. With respect to the direct service cost, the apportionment is performed departmentally on the basis of payor-mix for each respective department. With respect to administrative cost, the apportionment is performed in the aggregate directly to the managed care contract cost centers on the basis of aggregate apportioned direct service program cost.

**Summit Pointe and Venture Behavioral Health**  
**COST ALLOCATION PLAN for FY2007 Budget**

---

Revenues at standard charge rates are recorded for first and third party payors with contractual adjustments and allowances for uncollectible amounts as necessary used to reduce charge revenue to third party contract or collectable amounts. Certain of these third party payors are accounted for as earned contracts, particularly Medicaid fee-for-service and the Medicaid Health Plans.

**Revenues (CC# 2000)**

First and third party revenues generated by clinical teams are reported in the Revenues cost center. Medicaid fee for service billings are also captured in this cost center. This is a revenue center only.

**Specialized Residential (CC# 2104)**

The Specialized Residential team at Summit Pointe provides case management services to people with developmental disability. The focus of this team is HSW customers. Client Services Coordinators and Community Support Specialists facilitate supports and services through assessment; support plan development, linking and coordination, re-assessment, follow-up and monitoring of supports and services through the person centered planning process. The on going process focuses on the desires and needs of the participant. Housing and employment issues are addressed, social networks are developed; natural and community supports are utilized; income/benefits are maximized; and plans of supports/services are reviewed at such intervals as are indicated in PCP process.

**Medical Services (CC# 2045)**

The Medical Services team at Summit Pointe provides physician and nursing services to families, couples, children or groups. The team also serves as a liaison to inpatient facilities. Staffing in this cost center consists of physicians (M. D), nurses and related clinical support staff (paraprofessionals), and first line supervisor (medical director). The Director of Clinic Operations reported in Cost Center #8374 supervises this team. This team uses clerical support from the Outpatient Services Support Team in Cost Center #8110.

**Bridges (CC# 2050)**

This team provides daytime crisis services. It is staffed by two half-time Crisis Case Managers, one Client Services Coordinator, one Hospital Liaison and one Masters Level Clinician. The Director of Professional Services supervises the Bridges Team.

**Assertive Community Treatment (CC#2216)**

ACT serves people in the community who are experiencing difficulty living independently due to the ongoing symptoms of their mental illness. The team serves



**Summit Pointe and Venture Behavioral Health**  
**COST ALLOCATION PLAN for FY2007 Budget**

---

adults eighteen years and older who are experiencing difficulties managing their medications without support, people who are at risk for arrest and inappropriate incarceration due to their illness and people who are frequent users of inpatient hospital emergency services or crisis residential. Together, clinical professionals including physicians, nurses, social workers, and paraprofessionals work to reduce unnecessary hospitalizations and increase periods of wellness for people living with mental illness. ACT provides education to customers, their families and friends about their mental illness, the role of medications, and methods of adapting to the symptoms of mental illness. The team is staffed by four Community Treatment Specialists, one Community Support Specialist, and Registered Nurse. The Director of Professional Services supervises ACT Team.

**Supports Coordination Team (CC# 2302)**

The Supports Coordination Team at Summit Pointe provides case management services to people with a mental illness or a developmental disability. Supports coordinators assist people in gaining access to necessary medical, social, educational, or other human services in the community. Their help begins with an initial meeting with the individual to talk with them and discover what their goals are for the future. At the same time, they might meet with other special people in the individual's life to ask questions, gain information and insight that will assist in assessing needs, linking and coordinating services and monitoring progress.

Staffing in this cost center consists of social workers (MSW, BSW) and related clinical support staff (paraprofessionals). Director of Professional Services reported in Cost Center #8374 supervises this team. This team uses clerical support from Clinical Support Team (Cost Center #8100). Supports and services rendered by Case Management Team generate encounter data by eligible contract program (Medicaid, GF, etc.). Service activities are reported in 15 minute units (CPT codes T1017, H2015, other).

**Connections Supported Employment (CC#s 2314, 2315 and 2316)**

The Connections team provides on the job training for customers in enclaves and individual sites to ensure they have the skills necessary for daily living and/or to maintain a job to enhance their ability to be independent. They also assist in creating and implementing contracts. Connections acts as a liaison with community organizations to ensure customer advocacy. Three Community Support Specialists and two Job Developers staff the team.

**Connections – Federal Center (CC# 2315)**

The Connections team provides on the job training for customers at the Hart-Doyle-Inouye Federal Center to ensure they have the skills necessary for daily living and/or to maintain a job to enhance their ability to be independent. They provide janitorial

services for the entire federal center facility. Two Community Support Specialists staff the team.

**Connections – VA Laundry (CC# 2317)**

The Connections team provides on the job training for customers at the Battle Creek Veteran’s Administration Laundry Facility to ensure they have the skills necessary for daily living and/or to maintain a job to enhance their ability to be independent. They provide laundry services for six different VA hospitals. A Laundry Services Coordinator and a Community Support Specialist staff the team.

**Youth Team (CC# 2406)**

The Youth Team ensures active treatment and assists customers to remain in the least restrictive setting through a variety of services within the community while meeting regulatory requirements. They monitor contracts/contract agencies providing services to children and families. The team also performs on-call crisis support, advocates for the customer and prepares written documentation in accordance with all regulations and applicable standards.

Some of the programs provided by the Youth Team include Consultation and Resources for Early Education, Wraparound, Multi-systemic Treatment, Home-Based Case Management, Outpatient Counseling and Building Family Bridges. Two employed clinicians and three contract consultants staff the team.

**Crisis On-Call (CC# 2412)**

The Crisis on Call team provides after hours, weekend and holiday support for customers in a crisis. Multiple clinicians from various teams throughout the agency staff the team.

**Battle Creek Outpatient (CC# 2420)**

The Battle Creek Outpatient team provides outpatient therapy, psychotherapy, and counseling for individuals, families, couples, children or groups. They may conduct psychological testing and perform assessments of customers to develop individual plans of service. The team provides training and support to agency teams and community along with performing on-call crisis support. The team is staffed by two full time and one part time bachelors level clinicians and housed in the 140 W. Michigan facility.

**Behavioral Health Resources – Lakeview (CC# 2440)**

Behavioral Health Resources specializes in services for children & adolescents, adults and older adults by providing outpatient therapy, psychotherapy, and counseling for individuals, families, couples, children or groups. They may conduct psychological

**Summit Pointe and Venture Behavioral Health**  
**COST ALLOCATION PLAN for FY2007 Budget**

---

testing and perform assessments of customers to develop individual plans of service. The team provides training and support to agency teams and community along with performing on-call crisis support. Service delivery choices create a solid foundation for personal growth and success throughout all stages of your life. BHR operates in its own facility on Capital Avenue SW in Battle Creek. The team is staffed by two full time bachelors level, one part time bachelors and multiple bachelors/matrs level contracted clinicians.

**Intake Unit (CC# 2441)**

The Intake team provides initial brief telephone assessments to determine the needs of the customer. The customer is scheduled with the appropriate service. Contracted personnel staff the team.

**Senior Behavioral Health (CC# 2444)**

The Senior Behavioral Health team provides the necessary services and supports to help older adults age with grace and dignity. SBH provides a variety of programs and supports to help seniors achieve their goals and remain active members of the community. These include assessment & screening services, behavior management planning, case management, education, medication consultation, nursing home monitoring and more. Two master's level clinicians, two community support specialists and two client services coordinators staff the team.

**Senior Assessment Center (CC# 2450)**

The Mission of the Senior Assessment and Diagnostic Center is to provide support to patients, physicians, and other health care workers who seek to improve the quality of life for seniors. The philosophy promotes senior's physical, cognitive, psychosocial and spiritual well being. This support is documented in a plan of care that is shared with the patient, their family and their physician. Contractual personnel staff the team.

**Albion Outpatient (CC# 2462)**

The Albion Outpatient team provides outpatient therapy, psychotherapy, and counseling for individuals, families, couples, children or groups. They may conduct psychological testing and perform assessments of customers to develop individual plans of service. The team provides training and support to agency teams and community along with performing on-call crisis support. The team is staffed by one full time, one part time bachelor's level clinician and one part time contracted clinician. The team is located in the Wyndham Woods Centre at 300 B Drive North in Albion.

**Summit Pointe and Venture Behavioral Health  
COST ALLOCATION PLAN for FY2007 Budget**

---

**Prevention Coordinator (CC# 2630)**

Numerous prevention activities are reported in this cost center. Prevention activities involve collaboration with various community-based organizations. Summit Pointe maintains close ties with schools, ARC, Urban League, Minority program services, Substance Abuse Council. Expenditures associated with the consumer run drop in center and Café Can Do is reflected in this cost center.

**Apportionment of Direct Operated Programs**

Supports and services provided by direct operated, internal clinical service cost centers are captured in the form of encounters. These are designated by common coding procedures, policies and protocols (CPT, HCPCS, etc.) with varying standard units of measurement or duration. Encounter units are accumulated by cost center in the clinical billing system and are used in cost finding to apportion internal, direct-operated, direct service costs on a departmental basis to contract program cost pools (Medicaid, State GF, etc.) based on the program eligibility and covered benefit of the individual being served. The apportionment using direct service units is the ratio of program units to total units applied to cost (RUUAC) on a departmental basis.

**SUMMIT POINTE  
Cost Allocation Plan - FY07 Budget**

**Program Cost Apportionment**

<u>CC#</u>	<u>Cost to be Apportioned and Basis:</u>	<u>Basis</u>	<u>Amount</u>
2104	Specialized Residential	RUUAC%	813,378
2045	Medical Services	RUUAC%	1,747,383
2050	Bridges	Cap Rev%	454,983
2216	Assertive Community Treatment	RUUAC%	623,489
2302	Supports Coordination Team	RUUAC%	1,611,544
2314	Connections	RUUAC%	723,732
2315	Connections-Federal Center	CC#2314	892,764
2317	Connections-VA Laundry	RUUAC%	922,073
2406	Youth Team	Cap Rev%	827,199
2412	Crisis On Call	RUUAC%	183,777
2420	Battle Creek Outpatient	RUUAC%	436,689
2440	BHR-Lakeview	RUUAC%	1,585,216
2441	Intake Unit	Cap Rev%	66,041
2444	Senior Behavioral Health	RUUAC%	516,427
2450	Senior Assessment Center	100% GF	108,141
2462	Albion Outpatient	RUUAC%	377,889
2630	Prevention Coordinator	Cap Rev%	760,000
	Depreciation on Pre-GASB #34 capital assets		(57,685)
	Program Pooled Cost allocation		980,566

**Summit Pointe and Venture Behavioral Health  
COST ALLOCATION PLAN for FY2007 Budget**

---

**SUMMIT POINTE  
Cost Allocation Plan - FY07 Budget**

**Program Cost Apportionment**

Earned Contract Revenue offset as cost	(2,773,618)
Contract Programs - Local Match	<u>(400,000)</u>
<b>Total Cost to be Apportioned</b>	<b><u>10,399,989</u></b>

<u>CC#</u>	<u>Cost Apportionment:</u>		<u>Amount</u>
1110	Medicaid Contract	58.3%	6,068,129
1200	State GF Contract	34.6%	3,601,839
1300	MiChild Contract	0.3%	30,621
1400	ABW Contract	2.7%	277,467
	Medicaid QHP Earned Contracts	4.1%	<u>421,933</u>
	<b>Total Allocated</b>	<b><u>100.0%</u></b>	<b><u>10,399,989</u></b>

**Notes:**

This apportionment is actually performed on a departmental basis. This schedule is a summary.

***Grants and Earned Contracts***

Cost centers in this classification are to account for designated or restricted revenue and associated cost for specific purposes.

**OBRA / PASARR Evaluations (CC# 3110)**

This cost center is to account for the federal OBRA / PASARR grant. Costs of the grant are specifically computed when the revenue is recorded and billed. Thus, revenue is used as a cost proxy and offset.

**PATH / Homeless Housing (CC# 3122)**

PATH provides financial support and assistance for people who are homeless and diagnosed with a chronic mental illness to find safe and affordable housing. Education and assistance is provided in working with property owners, obtaining financial assistance, employment and obtaining household items. The Homeless Housing team assists chronically ill adults and/or homeless customers to find safe affordable housing and remain in that housing for as long as possible by identifying housing options and resolving problems. The team acts as a liaison with the community on homeless issues and assists with training and education of customers and the community. The team is

staffed by a full time Housing Developer, full time Support Specialist and a part time Community Support Specialist.

**HUD Grant (CC# 3130)**

The HUD Grant is a supportive housing program designed to assist people who are homeless, and with a chronic mental illness, find an apartment and remain in their apartment. Case management and follow up services are provided to monitor and link individuals with the appropriate service areas. Financial assistance is available to assist with security deposits and/or furniture. After an initial screening, linkages with employment and other financial resources are provided. A part-time Housing Developer and contractual personnel manage the grant.

**MSHDA Grant (CC# 3170)**

Summit Pointe has initiated a project with the Michigan State Housing Development Authority (MSHDA) to construct safe and affordable housing to special needs populations in Battle Creek. Summit Pointe operates as the fiduciary of the multi-family housing project. The entire project will have thirty-two residential units and provides housing for developmentally disabled, homeless, and mentally ill customers served by Summit Pointe.

**Multi-Systemic Treatment (MST) (CC# 3240)**

MST is a pragmatic and goal-oriented treatment that specifically targets those factors in each youth's social network that are contributing to his or her antisocial behavior. Thus, MST interventions typically aim to improve caregiver discipline practices, enhance family affective relations, decrease youth association with deviant peers, increase youth association with prosocial peers, improve youth school or vocational performance, engage youth in prosocial recreational outlets, and develop an indigenous support network of extended family, neighbors, and friends to help caregivers achieve and maintain such changes. Specific treatment techniques used to facilitate these gains are integrated from those therapies that have the most empirical support, including cognitive behavioral, behavioral, and the pragmatic family therapies.

MST services are delivered in the natural environment (e.g., home, school, community). The treatment plan is designed in collaboration with family members and is, therefore, family driven rather than therapist driven. The ultimate goal of MST is to empower families to build an environment, through the mobilization of indigenous child, family, and community resources that promotes health. The typical duration of home-based MST services is approximately 4 months, with multiple therapist-family contacts occurring each week. Contracted personnel staff MST.

**Summit Pointe and Venture Behavioral Health  
COST ALLOCATION PLAN for FY2007 Budget**

---

**Apportionment of Grants and Earned Contracts**

With respect to most grants and earned contracts, the determination of revenue is based on a specific off-line accounting for cost, often with an assigned factor for overhead. As such, for cost allocation purposes, revenue will be used as a cost proxy for these specific purpose funds and as a cost offset to segregate these from other program costs.

**SUMMIT POINTE  
Cost Allocation Plan - FY07 Budget**

**Grant and Earned Contract Apportionment**

<u>CC#</u>	<u>Cost to be Apportioned and Basis:</u>	<u>Basis</u>	<u>Amount</u>
3110	OBRA/PASARR Evaluations	100% GF	292,417
3122	PATH / Homeless Housing	100% GF	189,917
3130	HUD Grant	100% GF	88,363
3170	MSHDA Grant	100% GF	-
3240	Multi-Systemic Treatment (MST)	% of Cases	377,755
	Depreciation on Pre-GASB #34 capital assets		(3,317)
	Program Pooled Cost Allocation		78,699
	Earned Contract Revenue offset as cost		(777,627)
	Contract Programs - Local Match		<u>(85,000)</u>
	<b>Total Cost to be Apportioned</b>		<b><u><u>161,207</u></u></b>
<u>CC#</u>	<u>Cost Apportionment:</u>		<u>Amount</u>
1110	Medicaid Contract	0.0%	-
1200	State GF Contract	100.0%	161,207
1300	MiChild Contract	0.0%	-
1400	ABW Contract	0.0%	-
	<b>Total Allocated</b>	<b><u>100.0%</u></b>	<b><u><u>161,207</u></u></b>

**Notes:**

This apportionment is actually performed on a departmental basis. This schedule is a summary.

***Managed Care Contracts***

Summit Pointe as a CMHSP is responsible for the following Managed Care Contracts for Calhoun County. These are subject to MDCH Financial Status Reporting and Cost Reconciliation and Cash Settlement. Direct assigned costs in these cost centers are the external provider network claims cost for covered services to eligible consumers. These

**Summit Pointe and Venture Behavioral Health  
COST ALLOCATION PLAN for FY2007 Budget**

---

are adjudicated by the claims system based on eligibility, authorization, provider contract rates and terms, and other state contract terms and regulation.

- Medicaid Contract – SP Calhoun (CC# 1110)
- State GF Contract (CC# 1200)
- MiChild Contract (CC# 1300)
- Adult Benefit Waiver (ABW) Contract (CC# 1400)

### ***Affiliate Medicaid Subcontracts***

In addition to its responsibility for Calhoun County as the CMHSP, Summit Pointe d/b/a Venture Behavioral Health subcontracts with other regional affiliated CMHSPs for Berrien, Van Buren, Branch and Barry Counties. These subcontracts are on a “net cost not to exceed” basis and are subject to cost reconciliation and settlement. For purposes of Section 460 compliance, costs for these “Prime Subcontractors” are separated between direct service cost and administrative cost. The cost finding, allocation, apportionment and settlement policies and procedures are not materially dissimilar to those for Summit Pointe described in this document. The Cost Allocation Plans for these Prime Subcontractors are included by reference with this document. These Plans have been submitted to Summit Pointe and to MDCH as required.

The CMHSP Affiliate Prime Subcontractors include:

- BMHA Riverwood Center (CC# 1111)
- Van Buren Mental Health (CC# 1112)
- Pines Behavioral Health (CC# 1113)
- Barry County Mental Health (CC# 1114)

The Medicaid costs associated with these are included in the Summit Pointe Medicaid PIHP reports.

### ***Substance Abuse Medicaid Contract***

Summit Pointe, d/b/a Venture Behavioral Health is responsible for administering the Substance Abuse Medicaid contract with MDCH for the region. It subcontracts its responsibilities to the Kalamazoo Regional Coordinating Agency, a “Prime Subcontractor”, with regard to Van Buren, Branch and Barry Counties. For Calhoun and Berrien Counties, Summit Pointe contracts directly with substance abuse providers for Medicaid covered substance abuse services. The cost centers include the following:

- Kalamazoo Regional Coordinating Agency (CC# 1115)
- Calhoun County (CC# 1116)



***Summit Pointe and Venture Behavioral Health***  
**COST ALLOCATION PLAN for FY2007 Budget**

---

- Berrien County (CC# 1117)

## **ADMINISTRATIVE COST**

### ***General and Board Administration***

General and Board Administration discussed in this section is as defined in the front of this document under the Section 460 requirements. The General and Board Administration cost centers at Summit Pointe include the following.

#### **Administrative, Finance (CC# 8170)**

The Finance team leads financial activities and services to ensure that agency risk is minimized. The team performs financial activities that include payables, receivables, billing, risk management, general ledger, payroll, cost accounting, inventory and agency budget. The team follows generally accepted accounting principles in all accounting activities.

Staffing in this cost center consists of two bachelor level analysts and three accounting specialists. The Chief Financial Officer reported in Cost Center #8374 supervises this team.

#### **Administrative, General (CC# 8374)**

The Administrative team leads all agency activities and services to help Calhoun county residents make life work. Staffing in this cost center includes an Employment Coordinator, Clinic Resource Specialist, Corporate Compliance Officer, Human Resources/Payroll Analyst, Director of Clinic Operations, Project Facilitator, Chief Financial Officer, Chief Operating Officer, Director of Contracts/Facility, Administrative Secretary and the Director of Professional Services. The Chief Executive Officer supervises this team.

#### **Administrative, Quality (CC# 8400)**

The Quality Data team develops & implements decentralized customer data providing overall record system compliance with JCAHO, HCFA, MDCH and other applicable standards. They also ensure the physical security and confidentiality of the customer records and implement agency-wide customer records management system.

This team is supervised by the Corporate Compliance Officer reported in Cost Center #8374 and is staffed by contract consultants.

#### **Administrative, Community Education (CC# 8500)**

The Community Education and Marketing Team provide marketing support to Summit Pointe teams to achieve strategic, business and team goals. It assists in the promotional development of new and re-engineered products and coordinates internal

**Summit Pointe and Venture Behavioral Health  
COST ALLOCATION PLAN for FY2007 Budget**

---

and external public relations and community education programs. Develops media story lines and prepares media releases to ensure Summit Pointe coverage. The Chief Operating Officer reported in Cost Center #8374 supervises the team.

**New Business Development (CC# 8976)**

The New Business Development team develops training curriculum for clinical teams. It organizes and coordinates trainings for clinical and administrative staff. These trainings are primary focused on evidence based clinical practices, high performing teams, and situational leadership. This team provides policy governance education to the Boards of various community organizations. It assists in gathering information and implementing outcome measurement tools. The Chief Operating Officer reported in Cost Center #8374 supervises this team.

**Apportionment of General and Board Administration**

The apportionment of General and Board Administration is demonstrated as follows.

**SUMMIT POINTE  
Cost Allocation Plan - FY07 Budget**

**General and Board Administration Apportionment**

<u>CC#</u>	<u>Cost to be Apportioned and Basis:</u>		<u>Amount</u>
837			
4	Administrative, General		4,279,074
817			
0	Administrative, Finance		489,446
840			
0	Administrative, Quality		11,250
850			
0	Administrative, Comm Ed		327,593
897			
6	New Business Development		338,793
	Depreciation on Pre-GASB #34 capital assets		(22,046)
	Cost for Reimbursement functions reclassified to Admin		298,638
	Earned Contract Revenue offset as cost		(29,448)
	Contribution of Local Funds to State		(1,110,756)
	<b>Total Cost to be Apportioned</b>		<b><u>4,582,546</u></b>
<u>CC#</u>	<u>Cost Apportionment:</u>	<u>MTDC</u>	<u>Amount</u>
	Central Mgd Care Admin	3,387,888	605,063
	Substance Abuse Medicaid Contract	804,014	143,594
111			
0	Medicaid Contract	16,163,045	2,886,652
120	State GF Contract	4,526,207	808,362

**Summit Pointe and Venture Behavioral Health  
COST ALLOCATION PLAN for FY2007 Budget**

---

**SUMMIT POINTE  
Cost Allocation Plan - FY07 Budget**

**General and Board Administration Apportionment**

0			
130			
0	MiChild Contract	36,685	6,552
140			
0	ABW Contract	318,982	56,969
	Medicaid QHP Earned Contracts	<u>421,933</u>	<u>75,355</u>
	<b>Total Allocated</b>	<b><u>25,658,755</u></b>	<b><u>4,582,546</u></b>

<u>Modifications made above to Apportionment Basis</u>	<u>MTDC</u>
Accumulated cost after Program Cost Apportionment	<b>77,187,483</b>
Exclude Medicaid QAAP Assessment	(4,213,866)
Exclude CMH Affiliate Subcontract cost	(41,573,234)
Exclude Sub Abuse Coord Agency Subcontract cost	(423,903)
Exclude State facility cost (St & Local Portions)	(1,281,480)
Exclude Grant & Earned Contracts where rev used as cost	(3,622,360)
Exclude Contract Programs – Local Match	<u>(413,885)</u>
<b>Modified Total Direct Cost Basis</b>	<b><u>25,658,755</u></b>

***Venture Behavioral Health***

Summit Pointe, d/b/a Venture Behavioral Health is the MDCH-designated Pre-Paid Inpatient Health Plan and regional host board for the affiliation. It operates a central managed care administrative function dedicated 100% to the Medicaid regional PIHP contract.

***Central Managed Care Administration***

The central managed care administrative functions include:

- VBH Managed Care Administration (CC# 1000)
- VBH Financial Management (CC# 1001)
- VBH Information Management (CC# 1002)
- VBH Utilization Management (CC# 1010)
- VBH Member Services (CC# 1020)
- VBH Provider Network Management (CC# 1030)

**Summit Pointe and Venture Behavioral Health  
COST ALLOCATION PLAN for FY2007 Budget**

---

- VBH Quality Management (CC# 1040)

**Apportionment of Central Managed Care Administration**

The cost finding, allocation and apportionment of Central Managed Care Administration is demonstrated as follows:

**SUMMIT POINTE  
Cost Allocation Plan - FY07 Budget**

**Central Managed Care Administration Apportionment**

<u>CC#</u>	<u>Cost to be Apportioned and Basis:</u>	<u>Amount</u>
100		
0	Managed Care Administration	1,025,879
100		
1	VBH-Financial Management	345,323
100		
2	VBH-Information Management	1,276,188
101		
0	VBH-Utilization Management	282,214
102		
0	VBH-Member Services	111,084
103		
0	VBH-Provider Network	104,786
104		
0	VBH-Quality Management	242,414
	General and Board Administration allocation	<u>605,063</u>
	<b>Total Cost to be Apportioned</b>	<b><u>3,992,951</u></b>

<u>CC#</u>	<u>Cost Apportionment:</u>	<u>MTDC</u>	<u>Amount</u>
	Earned Contract Revenue offset as cost	CMH to CMH	62,000
	Venture Regional IT EMR Cost	Dir Assigned	1,201,188
	Venture Regional Clinical Training	Dir Assigned	300,000
	Substance Abuse Medicaid Contract	% of cost	53,754
	MH/DD Medicaid Contract	% of cost	<u>2,376,009</u>
	<b>Total Allocated</b>		<b><u>3,992,951</u></b>

The Regional IT EMR cost and Regional Clinical Training cost have been reported for Section 460 purposes as regional direct service costs. The amounts are determined by a specific assignment of cost based on the scope of these projects. The earned contract revenue is for regional after-hours call center contracted services that have been charged to the CMHSP affiliates.

***Summit Pointe and Venture Behavioral Health***  
**COST ALLOCATION PLAN for FY2007 Budget**

---

## **SUMMARY AND MDCH REPORT EXHIBITS**

Included as separate exhibits to this Cost Allocation Plan are the following Summary Exhibits and MDCH Required Reports. These have been transmitted electronically in separate files from this file / document.

### ***Summary Income Statement***

**(Filename - SP FY07B CAP Sec460 IncStmt.pdf)**

This document is a columnar summary of the data presented in this document in Income Statement format. This is included by reference, as separate Exhibit, and in the separate data file of exhibits in the electronic submission.

### ***Financial Status Report***

**(Filename - SP FY07B CAP Sec460 FSR.pdf)**

The is the MDCH required reporting format for the Financial Status Report with amounts based on the FY 2007 Budget and this Cost Allocation Plan. This is included by reference, as separate Exhibit, and in the separate data file of exhibits in the electronic submission.

### ***Section 460 Compliance Report***

**(Filename - SP FY07B CAP Sec460 Rpts.pdf)**

This is the MDCH required reporting format for these two reports with amounts based on the FY 2007 Budget and this Cost Allocation Plan. These are included by reference, as separate Exhibits, and in the separate data file of exhibits in the electronic submission. The two reports are:

1. Section 460 Compliance Report – PIHP Medicaid
2. Section 460 Compliance Report – CMHSP Non-Medicaid