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1.0 General Report Overview

Section 6.9.1 of the MDHHS/CMHSP Managed Mental Health Supports and Services Contract (Contract) requires the Community Mental Health Services Program (CMHSP) to authorize inpatient care in advance for all admissions to state owned and operated hospitals / centers in those instances where there is no community inpatient alternative. It further requires the CMHSPs review treatment at intervals determined jointly between the authorizing CMHSP and the State Facility, as well as authorization of continued stay. The responsibilities of the Michigan Department of Health and Human Services (MDHHS) and the CMHSP are outlined in the following sections or attachments to the Contract.

- Section 6.6.3.6 – Payment of State-Delivered Services
- Section 6.9.1 – State Managed Services
- Attachment 6.9.1.1 – Department of Health and Human Services Protocol for Community Mental Health Service Programs – State Managed Services and Financial Liability for Persons Acquitted of a Criminal Charge by Reason of Insanity
- Attachment 6.9.1.2 – Department of Health and Human Services – State Facility Attachment


The CMHSP will be billed, on behalf of the County, the “Local Cost of State Services”. Per Section 302 of the Mental Health Code (MHC), the county is financially liable for 10% of the net costs of the services provided at the state owned and operated hospitals / centers, except for an individual under a criminal sentence, a criminal defendant determined to be incompetent to stand trial, or an individual acquitted of a criminal charge by reason of insanity. Please refer to the communication from Tim Becker, Senior Deputy Director, Operations Administration dated August 19, 2013, “Implementation of New County 10% Billing Process”, for additional information of the billing for the Local Cost of State Services.

The Local Costs for State Services, Reconciliation and Cash Analysis report will be used for:

- Reconciliation of State Facility utilization between CMHSP and MDHHS records for the Local Cost for State Services.
- Reconciliation of the expenditures reported on the FSR to the cost of State Facility utilization for the Local Cost for State Services.
- Analysis of cash payments made to MDHHS for the Local Cost for State Services liability for State Facility utilization.

2.0 Report - Due Dates

Refer to the reporting grid incorporated in Attachment C.6.5.1.1 of the Contract for identification of report due dates. The reporting grid can be found on the MDHHS website: http://www.michigan.gov/mdhhs/0,4612,7-132-2941_38765---,00.html

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3.0 Report Submission

3.1 Report Submitted via US Mail

This is no longer applicable. Electronic report submission required.

3.2 Report Submission – Electronic

The report should be submitted electronically to the department by the due date identified in 2.0 above at MDHHS-BHDDA-Contracts-MGMT@michigan.gov.

The report's file name must identify the reporting fiscal year, period covered (submission type), agency name, report title and date of submission. Example: For the FY XX Year End Interim submitted from network180 for the Local Costs for State Services, Reconciliation and Cash Analysis, the file name should read **FYXX Year End Interim network180 FSR Bundle MM-DD-YYYY**.

Note: The Local Costs for State Services, Reconciliation and Cash Analysis is included in the FSR Bundle. It is not a stand-alone report.

Refer to the Electronic Report Submission Guidelines for report submission specifications.

4.0 Report Specific Navigation or Terminology

The terms used in these instructions shall be construed and interpreted as defined below:


CMHSP: Community Mental Health Services Program that hold the General Fund (GF) Contract with MDHHS.

Contract: MDHHS/CMHSP Managed Mental Health Supports and Services Contract. This contract is commonly referred to as the "GF Contract".

Local Costs for State Services: Per Section 302 of the Mental Health Code, the county is financially liable for 10% of the net costs of the services provided at the state-owned and operated hospitals / centers, except for an individual under a criminal sentence, a criminal defendant determined to be incompetent to stand trial, or an individual acquitted of a criminal charge by reason of insanity. The term has been historically referred to or linked to the term "County 10%".

The Local Costs for State Services, Reconciliation and Cash Analysis worksheet includes cell shading to assist the end user with completion of the form.

- Report headers are shaded in light green.
- Cells requiring data entry are shaded in yellow.
- Cells that are formula driven and should not have data entered are shaded peach or light turquoise. The cells shaded in light turquoise represent sub-totals or totals.

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Worksheet protection has been enabled.

Precision as displayed functionality has been enabled. As such, Excel will utilize the displayed value instead of the stored value when it recalculates formulas.

The term “Submission Type” on the worksheet refers to the reporting period, i.e., Interim, Final, and Projection.

5.0 Instructions for Completion of the Report

The CMHSP name, Fiscal Year, Submission Type and Submission Date have been brought forward from the FSR –All Non Medicaid.

5.1 Section 1 – Days Of Care


The Local Costs for State Services, Reconciliation and Cash Analysis report will be used to settle the Local Cost for State Services. The “Days of Care” section of this report will identify the number of days of care reported on the DMH Patient Billing Monthly Resident / Room Charge List – By County Report (65140-01), the days of care reported by the CMHSP and provide for reconciliation of the billed and reported days of care.

The DMH Patient Billing Monthly Resident / Room Charge List – By County Report (65140-01) includes days of care for both the forensic admissions and non-forensic admissions.

Forensic Admissions are indicated by an “(F)” following the Amount Charged column and represent the total number of forensic days which the CMHSP is not financially liable for the cost of care. MDHHS refers to these days as the non-billable days, meaning that these days are not billed to the CMHSP for the Local Costs of State Services liability.

Non-Forensic Admissions represent the total number of non-forensic days which the CMHSP is financially responsible for the cost of care. MDHHS refers to these days as the billable days, meaning that these days are billed to the CMHSP for Local Costs of State Services liability.

The days from the 65140-01 report will be utilized for settlement purposes, unless otherwise justified. Each state owned and operated facility has a column in Section 1 where the “billable” days for each facility will need to be entered. The last column (Total) is formula driven and *represents the sum of all Facilities*.

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Section 1.a – State Report 65140-01

This section represents the billable days of care utilized as identified on the Patient Billing Monthly Resident/Room Charge List – By County Report (65140-01). Enter the billable days of care for each Facility from the report.

Section 1.b – Billed Costs - Local

This row represents the Local Cost of State Services, based on the MDHHS recognized usage. The row is formula driven. The formula is *State Report 65140-01(1.a) times the facility rate identified in the column heading.*

Section 1.c – CMHSP Reported - Local

This row represents the number of days of care that the CMHSP has recognized as utilized during the current fiscal year. Enter the CMHSP record of days of care for each facility.

Note: When there is a variance between the MDHHS recognized days of care and the CMHSP Reported days of care, the variance must be explained in Section 1.g.

Section 1.d – Billed Costs – Local

This row represents the cost of care, based on the CMHSP recognized usage. The row is formula driven. The formula is *CMHSP Reported – Local (1.c) times the facility rate identified in the column heading.*


Section 1.e – Days of Care Variance

This row represents the variance between the number of days of care recognized on the State Report 65140-01 and the number of days of care reported by the CMHSP. The row is formula driven. The formula is *State Report 65140-01 (1.a) less CMHSP Reported – Local (1.C).*

Note: When there is a variance between the MDHHS recognized days of care and the CMHSP Reported days of care, the variance must be explained in Section 1.g.

Section 1.f – Billed Costs Variance

This row represents the variance between the cost of care based on the State Report 65140-01 and the CMHSP recognized usage. The row is formula driven. The formula is *Billed Costs – Local (1.b) less Billed Costs – Local (1.d).*

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Section 1.g – Narrative of Any Variances Between the State Report 65140-01, Exceptions, And The CMHSP Reported Data

An explanation of any variances between the CMHSP reported data and the MDHHS reported data should be justified here.

Enter a narrative explanation, the client initials, case number, dates of service, number of days, facility and amount in the columns provided. The last row, in the narrative section, has been left unformatted for general, non-consumer related comments. If this space is insufficient, please utilize the “Additional Narrative” tab within the FSR Bundle.

5.2 Section 2 – Reconciliation to FSR – Local Costs for State Services

This section of the report reconciles the amount reported on line M.204 (Local Costs for State Provided Services) of the All Non-Medicaid FSR to the MDHHS recognized Local Cost for State Services.

Section 2.a – FSR Expenditures – Local (Line M.204)

This cell represents what the CMHSP has recorded on the All Non-Medicaid FSR for the Local Cost of State Services (M.204). The cell is formula driven. The formula is *plus Local Costs for State Provided Services (M.204 of the All Non-Medicaid FSR)*..

Section 2.b – MDHHS Recognized Local Services Liability

This cell represents the total MDHHS recognized liability for the Local Cost of State Services. The cell is formula driven. The formula is *plus Billed Costs – Local (1.b – Total Column)*.


Section 2.c – Variance

This cell is formula driven. The formula is *FSR Expenditures – Local (Line M.204) (2.a) less MDHHS Recognized Local Services Liability (2.b)*.

Note: When there is a variance between the MDHHS recognized days of care and the CMHSP Reported days of care, the variance must be explained in Section 1.g. Additionally, Section 2 – Reconciliation to FSR – Local Costs for State Services has a section for narrative reporting of any variances.

5.3 Section 3 – Cash Analysis - Local Costs for State Services

This section summarizes the cash settlement for the Local Costs of State Services.

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Section 3.a – Local Costs for State Services Total

The column headings and instructions are as follows:

Total Cost – The column represents the total liability for the Local Costs for State Services. The column is formula driven. The formula is *plus MDHHS Recognized Local Costs for State Services Liability (2.b)*.

Payments Sent MDHHS through 9/30 – Enter the amount of payments sent to the MDHHS for the Local Costs of State Services through 9/30.

Payments Sent MDHHS After 9/30 – Enter the amount of payments sent to the MDHHS after 9/30 for the Local Costs of State Services through 9/30 dates of service.

Total Payments Sent to MDHHS – This column represents the total payments sent to MDHHS for the Local Costs of State Services. The column is formula driven. The formula is *Payments Sent MDHHS through 9/30 plus Payments Sent MDHHS after 9/30*.

Balance Due (MDHHS) / CMHSP – This column represents the amount due MDHHS for Local Costs for State Services or the amount due the CMHSP for overpayment of the Local Costs for State Services. The column is formula driven. The formula is *Total Payments Sent to MDHHS less the Total Cost*.