



STATE OF MICHIGAN

DEPARTMENT OF COMMUNITY HEALTH
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

JANET OLSZEWSKI
DIRECTOR

February 17, 2010

TO: Executive Directors of Prepaid Inpatient Health Plans (PIHPS)
and Community Mental Health Services Programs (CMHSPs)

FROM: Irene Kazieczko, Director
Bureau of Community Mental Health Services
Mental Health and Substance Abuse Administration

SUBJECT: FY09 Administrative Expenditure Reporting Requirements

This memorandum transmits the Administrative Cost Reporting requirements for FY09 expenditures to meet FY10 contractual reporting requirements. As you may recall, the contract negotiations for FY10 included an expectation for a workgroup to review CMHSP/PIHP 460-related administrative cost reporting requirements. The attached revised requirements are the result of those discussions.

Now that these have been completed, it is our intent the workgroup continue to meet and address issues such as:

- developing consistency in reporting
- sharing information across CMHSP/PIHPs regarding administrative costs and/or information regarding "best practice"
- identifying what type of administrative information should be published and in what way (for example, should this replace the current administrative cost information posted in response to boilerplate section 404)

The attached reporting requirements replace the current FY10 460-related CMHSP and PIHP contract language as follows:

- MDCH website - Section 460 requirements, instructions and forms, and 2005 document "Establishing Managed Care Administrative Costs" on MDCH website (http://www.michigan.gov/mdch/0,1607,7-132-2941_38765---,00.html). Note - this is replaced by the enclosed 2010 document entitled "Establishing Administrative Costs Within and Across the CMHSP System."
- Section 6.6.2, Financial Reporting contract language.
- Attachment 6.5.1.1, Reporting Requirements.
- Attachment P7.6.1, PIHP Compliance Examination Guidelines, Page 12.

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- Section 7.8, Finance Planning, Reporting and Settlement, and related attachment 7.8.1, Financial Reporting.

This administrative cost report is due by **Friday, April 23, 2010**, and should be submitted to the attention of Jan Zwarka at zwarkaj@michigan.gov. The forms and instructions will also be posted to the website along with other Mental Health and Substance Abuse Administration reporting requirements. Please share these forms and instructions with your staff. If you have questions, please direct them to Doris Gellert at gellert@michigan.gov.

Attachments

cc: Michael J. Head
Doris Gellert
Mark Kielhorn
Judy Webb
Jan Zwarka