

**MICHIGAN DEPARTMENT OF COMMUNITY HEALTH
CMHSP/PIHP ADMINISTRATION COST REPORTING INSTRUCTIONS**

UPDATED DECEMBER 2011

INTRODUCTION

These administration cost reporting requirements are based on the functions and guidance contained in the "Establishing Administrative Costs Within and Across the CMHSP System (originally issued for FY04 MUNC, Revised December 2011 Guidance). This guidance also applies to the administrative cost information reported in the Medicaid Utilization and Net Cost Reports (MUNC), Adult Benefit Waiver Utilization and Net Cost report (ABWUNC), General Funds Utilization and Net Cost report (GFUNC), the Sub-element Cost Report (SECR) as well as the Administrative Cost Report (ACR). Note that CMHSP administrative cost reporting is required to be consistent with A-87 principles, recognizing that there are various methods by which A-87 compliance may be achieved.

The purpose of these reporting requirements is to:

- Provide comprehensive CMHSP / PIHP administration cost information using a single set of definitions and reporting requirements
- Provide greater transparency of administrative costs using definitions that are common to health care organizations
- Satisfy benefit plan administration cost requirements for the DCH fee-for-service waivers (SED and Children's Waiver) and other programs
- Identify the organizations and administrative costs of CMHSP or PIHP delegated administrative functions
- Provide sufficient information to describe and understand the CMHSP / PIHP administrative cost information as submitted
- Provide an equitable and comparable basis for cost analysis and identify opportunities for efficiency

SUMMARY OF SUBMISSION REQUIREMENTS

CMHSP Administration Cost Reporting (ACR) requirements consist of the CMHSP/PIHP Administration Cost Report which is a single Excel file and a narrative description.

These two components comprise the administrative cost reporting requirements for CMHSP / PIHP contract compliance. This report is required at the CMHSP level for all 46 CMHSPs. The CMHSP that functions as the PIHP "hub" must submit a single report including its own CMHSP and its PIHP functions. DCH recognizes that the PIHP information duplicates with affiliates for Medicaid and ABW expenses. The ACR provides sufficient detail to un-duplicate these costs for statewide summaries

The administrative reporting requirements beyond the direct operations of the CMHSP / PIHP extend to those administrative costs that have been delegated by the administering authority to the affiliate CMHSPs or carried out by other organizations through administrative/service contracts. The "hub" PIHP in affiliate arrangements and the affiliate CMHSP will both be reporting administrative costs that have been delegated to its affiliate CMHSPs.. It is recognized that some CMHSPs have purchased administrative functions for the benefit plans

they administer; these arrangements must be reported as well. DCH recognizes this duplicative reporting requires that state summaries must be adjusted for this duplication.

In recognition that some PIHPs / CMHSPs provide centralized functions to its affiliate or other CMHSPs, excel worksheet section 3 "centralized functions" is incorporated in the reporting requirements. The purpose of this worksheet is to identify the cost which is attributed to the hub PIHP that is on behalf of the CMHSPs in the affiliation. It is also recognized that in a few situations, a CMHSP that is not a "hub" is providing centralized functions and those should be reported using this page of the reporting form as well.

CHANGES FROM FY10 ACR

1. This FY11 ACR excel file has combined the 3 tabs into a single tab. There are page breaks that create separation of the 3 parts: ACR, delegation, and centralized functions. The reason for combining into one excel worksheet is to allow DCH staff to readily combine the 46 reports (and revisions) for the purposes of the compilations and the unduplication process
2. The report no longer removes administration costs for certain programs but instead classifies those costs as part of other administration. This eliminates the mismatch caused by removing administrative cost but not removing related program costs. The FY11 ACR has removed as columns Cost for admin costs attributable to direct run CMH or CA-SUD services because these should be excluded from part 1 column C as this should only be benefit plan administration. Direct run service administration is part of service costs. These direct run administration costs will now be reported in the narrative report.
3. The FY11 ACR has removed as columns for the earned contracts/grants, Non-Medicaid admin cost and replaced that construct within the "other benefit plan" rows. This will allow for clarification of the inter-CMH purchase of ASO functions, as well as better align spending on grants with an administrative cost.
4. In FY10 reports there was some confusion with respect to the inter-CMH arrangements for administrative functions. For FY11, when an affiliate CMHSP purchases ASO functions from the hub for GF, MiChild, SEDW, DDCW, Other benefit plans, that purchase cost should be shown in the affiliate's column C expenses – just as if they purchased these functions from any entity. The CMHSP providing and being paid for these administrative functions should show these in the row under "other" as an earned contract-ASO-SA-other.
5. Similar to GFUNC and SECR, the "other benefit plan" section has been expanded to include individual program rows such as administration for direct run services and all other.
6. The FY11 ACR has revised how to show the SA/CA components, especially for those CMHSPs/PIHPs who are also the CA. Clearly the SA benefit attached to Medicaid and ABW is intended to be part of this report, embedded in those 2 benefit plans. The activity that is associated with the DCH/SA state contract (excludes Medicaid and ABW), is reclassified to other in section C. Thus sections C is now intended to reflect the benefit plan management costs for the CMHSP/PIHP business. With CAs costs reported in administration costs in other.

7. Section C was also revised for the rows that show the "total" administration to match the change to section A.
8. The reconciliation to FSR has been brought into the excel file rather than being buried in the narrative. This will also ensure better consistency between reports.
9. In the instructions, cross walking between the reports for both expenses and administrative costs has been included.
10. In the excel 3rd section, centralized costs, where the "hub's centralized administrative costs that are recorded in their administrative expenses but are for services provided by another CMHSP, there are additional columns to show how these costs are to be allocated back to the service CMHSPs
11. Benefit plans have been aligned with the plan expenses as reported in other reports. Example, HRA is in MUNC costs and thus should now be included in total expenses for Medicaid plan
12. Rows on the excel form have been relabeled/numbered by section.
13. The ACR narrative has also been revised.

RECONCILE TO OTHER REPORTS

1. **Medicaid**
 - Total expenses – ACR row C1, column D (Medicaid)
 - Matches MUNC row X, ie Medicaid expenses MH/DD/SA net of spend-down, includes HRA
 - Reconciles to FSR Medicaid A290, with the addition of Use Tax, Payments into ISF, prior year adjustment, and other items specified as reconciling items in MUNC
 - Medicaid plan management – ACR row C2, column D (Medicaid)
 - Matches MUNC row IV (MH/DD admin) plus Via and VIb (ie SA admin)
2. **ABW.**
 - Total expenses – ACR row C1, column E (ABW)
 - Matches ABWUNC row VIII ie ABW expenses MH/DD/SA net of spend-down, includes HRA
 - Reconciles to FSR ABW AC290, with the addition of Use Tax, Payments into ISF, prior year adjustment, and other items specified as reconciling items in ABWUNC

- ABW plan management – ACR row C2, column E (ABW)
 - Matches ABWUNC row IV (MH/DD admin) plus Via and VIb (ie SA admin)
- 3. DDCW, MICHILD, SEDW
 - There are no service reports for these 3 benefit plans to match expenses or administration
 - Total expenses – ACR row C1, column do reconcile to FSR expenses for each of these benefit plans
- 4. GF

The ACR GF expenses in C1 may not match GFUNC (rows II, III, IV) depending on what included in “other”, though there should be a close relationship. The administration in GFUNC and ACR should be close.
- 5. TOTAL ACROSS BENEFIT PLANS
 - Total expenses – ACR row C1, column C
 - Relates to the SECR Grand total expenses, and might even match that for some CMHSPs
 - Reconciles to FSR P290, with the addition of Use Tax, Payments into ISF, local match contribution, prior year adjustment, other business outside of primary MH DCH contracts (eg CA/SA state contract), other contracts (eg with Medicaid Health Plans), and targeted use of local funds
 - Plan management – ACR row C2, column C
 - Relates to the SECR Administration IV and V, and might even match that for some CMHSPs with not much noise in “other”

NOTE The amount shown by the ‘hub’ in ACR part three as centralized administration on behalf of its affiliates should MATCH the administration shown in SECR row IV

GENERAL GUIDANCE This section of the instructions is intended to provide the context for administrative cost reporting and for completion of the report. The concepts of Benefit Plan, Administrative Cost, and Delegation, as used in this report are described in the following.

Remember: This is ALL about Expenses and NOT about the funding sources used. Expenses should reconcile to FSR expenses, with the exception of GF. GF expense in the FSR is the GF benefit plus it may include some of "other".

A. Benefit Plan. For these purposes, the 'benefit plan' represents the full cost associated with the provision of services to consumers based on their program eligibility and the services that are covered by that benefit plan. The benefits plans are:

- Medicaid 1915(a) and concurrent (c) Waiver – Administered by the PIHP (for FY11 include HRA expenses in Row C1 - Medicaid total expenses; excludes spend-down costs incurred during spend-down period)
- Medicaid ABW Waiver—Administered by the PIHP (for Fy11 includes all SA-ABW)
- DD Children's Waiver Administered by the CMHSP
- MICHild—Administered by the CMHSP
- SED Waiver—Administered by the CMHSP
- GF (General Fund) Benefit—Administered by the CMHSP (includes GF spend-down)
- Other Activities – Administered by the CMHSP

TOTAL EXPENDITURES FOR A BENEFIT PLAN

The costs associated with the provision of the benefit plan may be funded through multiple revenue sources. For example, the GF benefit requires local match; likely there is associated ability to pay and/or third party reimbursement. Another example is the Children's Waiver for which Medicaid fee screens are frequently below cost and these services must be subsidized with other revenue such as GF.

At the consumer level, benefit plan assignment for each benefit plan except GF is based on state determined eligibility for the date(s) of service for those services covered by the benefit plan. The GF benefit is based on CMHSP determined eligibility and covered services. Generally, the GF benefit is used for the cost of services for those individuals that are not eligible under the other benefit plans or for a service that may not be covered by the other plan(s).

If GF funding is used to supplement the cost of services provided under another benefit plan, the GF expenditure should be reported with that benefit plan. For example, if the amount paid to the CMHSP for DD Children's Waiver services does not meet the cost and GF funding is used to supplement the DD Children's Waiver reimbursement, this amount should be reported with the DD Children's Waiver benefit plan.

B. Structure of the ACR

The ACR excel file has one tab which has three "pages" or parts:

1. Benefit Plan Management
2. Delegated Administration
3. Centralized functions and costs

PART ONE: Benefit Plan Management

This part/page has 4 sections to it. Section A captures the administrative costs by function and by purpose (direct run, SA that is not Medicaid or ABW, delegated). Section B shows administrative cost by benefit plan. Section C calculates the benefit plan management as a percentage. Section D (which is new for Fy11) reconciles expenses (service plus admin) to FSR

Part One - SECTION A: Administrative costs

Administration costs reported should exclude direct run services administration costs as these are part of service costs. Because of DCH interest in direct run services, administrative costs associated with the CMHSP direct run services will continue to be reported but in the narrative not here.

Administrative functions and cost may be delegated via contract to other entities. For the affiliations this includes the CMHSP affiliates; for those with CAs apart from the CMHSP these will also be reported as delegated. Then there are CMHSPs who purchase comprehensive network management via contracts, as well as purchasing services which may include some of the functions described as benefit plan management.

NOTE: A column was removed for Fy11. The construct of earned contracts and grants has been moved to "plans" under "Other"

Part One - SECTION B: Administrative Costs Associated with Benefit Plan

Administration. The PIHP or the CMHSP must identify those costs associated with administering each benefit plan. It is expected that there are some costs associated with the responsibilities of benefit plan management for ALL the plans listed. For example, provider network management, oversight of contract providers, claims or contract payment, etc. For the GF benefit, the cost to the CMHSP of implementing its responsibilities as defined by the Mental Health Code are considered to be administrative costs. For the DDCW and SEDW plans, all the costs of enrolling and billing the state are benefit plan management

Part One – Section C: Summary

The CMHSP must report the total expenses associated with each benefit plan, and these should reconcile, match or strongly relate to other reports on these benefit plans.

The rest of this section will automatically calculate from information in section B

Part One – Section D: Reconcile to FSR

This section has been added for FY11. In FY10 most of this information was embedded in the ACR narrative. DCH, in its efforts to promote reporting integrity, is placing an emphasis on various reports reconciling. In this section the ACR expenses reported would reconcile to FSR expenses

PART TWO - Delegation

The Administration Cost Report assumes that **if an entity other than** the PIHP for the Medicaid managed care plans (or the CMHSP for those benefit plans it administers) itself is carrying out any of the seven functions or **any aspect of these seven functions**-general management,

financial management, information systems, provider network management, utilization management, customer services or quality management then **delegation has taken place**. The arrangements within PIHP affiliations by which responsibility for administration of the benefit plan(s) vary and if it is the expectation of the PIHP that any of the seven functions are carried out by the affiliate, then this must be reported as having been delegated irrespective of the method of payment or the method of delegation. Generally this should match or reconcile with the amounts reported by the affiliates on B1 and B2.

In general, delegation is limited to PIHPs who have regional responsibility for the Medicaid and ABW plans. These delegated administrative costs are not booked on the general ledger as an internal cost, but are part of the accounting for contracted services. The delegation allows the identification of some of the contracted cost as "delegated administration". For larger CMHSPs, delegation may also include purchasing significant ASO functions (eg Access) from a contractor, and booked as contract service rather than an internal CMHSP expense.

In Fy10 ACR there was some confusion between delegation and purchasing ASO functions. To clarify this section, it should be noted that:

- a. If the CMHSP affiliate uses the hub to efficiently provide some of the administrative activities for the non-Medicaid and non-ABW benefits ie MiChild, DDCW, SEDW, GF and Other, then the affiliate is PURCHASING that from the hub and should include those costs in Page one section a, column C – just as if they were purchasing those administrative services from any other contractor
- b. For the CMHSP (usually the hub) providing these efficient administrative functions across all these other benefits, they should be paid by the affiliate. That should be reported as a, earned contract under other plan activities

PART THREE: Centralized Functions: MEDICAID and ABW ONLY. Within an affiliation, an administrative function is considered centralized when this function, for the designated benefit plan, **is not carried out by each affiliate**. For example, if there is a single access system used across the affiliation, then this administrative function is centralized; or, if most of the CMHSPs within the affiliation utilize a single EMR, then for those participating CMHSPs, this function is centralized.

This means the CMHSP providing these administrative services is reporting administrative costs for services in other CMHSPs, and thus the administrative % for that CMHSP would be higher and for the affiliates lower. Part Three provides for a way to identify these costs that do not belong to the administration-providing entity's CMHSP services.

For FY11 this section has been expanded to show the other side of these costs, namely how much of these centralized costs "belong" with the service-providing CMHSP. The "hub", in conjunction with its affiliates needs to make a determination as to how to spread these central costs

As noted earlier, if the centralized function is for DDCW, MiChild, SEDW, GF and or Other, then these are expected to be reported as purchased by the affiliate (Page One column C) and as earned contract by the providing CMHSP. As such, these costs are EXCLUDED from Part Three – Centralized functions

NOTE: The amount shown by the 'hub' in this part three should MATCH the administration shown in SECR row IV

REPORTING INSTRUCTIONS

I. CMHSP ADMINISTRATIVE COST REPORT (ACR) INSTRUCTIONS

Due to the variations in CMHSP operations, this report is intended to be sufficient to provide information to enable comparison of "like" organizations and costs. Furthermore, to fully identify the costs at the total (gross) level in the administrative functional categories specified in the form on rows A1-A8.

The reporting format is intended to:

1. Report gross (total) administrative costs by function as contained in the 2010 Guidance.
2. Enable those CMHSPs / PIHPs that are also the Coordinating Agency to report those administrative costs attributable to substance use disorder services. Also, to enable those CMHSPs that provide contractual services to the Coordinating Agency to report its substance use disorder program administration costs.
3. Include PIHP and any CMHSP delegated administrative costs. This includes administrative costs of organizations (including CMHSPs, CAs, MCPNs or other organizations) that have been delegated administrative responsibilities. Any PIHP revenue associated with the provision of centralized services is also to be reported on this new form.
4. Distribute gross (total) administrative costs to the benefit plan (e.g., Medicaid, ABW, State General Fund benefit, etc.).

PART 1- CMHSP/PIHP ADMINISTRATION REPORT - BENEFIT PLAN MANAGEMENT REPORTING FORM)

Complete the identifying information at the top of the form including the name of the person who is certifying as to the accuracy of the information being transmitted. Identifying information is required on each worksheet. Note: beginning with the Administrative Cost Report for FY11, the date of the submission must be reported.

ROW INSTRUCTIONS (PAGE ONE)

SECTION ON CMHSP OVERALL ADMIN AND EXPENSES BY BENEFIT PLAN

SECTION A - GROSS (TOTAL) ADMINISTRATIVE COST. This section of the form is intended to identify the CMHSP administrative costs, by the seven (A-G) functions. Rows A1 through A7 parallel the administrative functions outlined in the 2010 Guidance. Row A8 is the sum of Rows A1-A7.

SECTION (B) ADMINISTRATIVE COSTS BY BENEFIT PLAN)

Section (B) is the distribution of the Total Administrative Costs reported for each column in Row 8 - Total Administrative costs to the benefit plan. This section identifies the benefit plan categories – that is, the PIHP 1915(a) and concurrent 1915(b) Medicaid Specialty Services and

Supports Waiver, ABW, the General Fund Benefit, etc. Section B is to be completed on the basis of the benefit plan.

The administrative cost should be reported by benefit plan and the costs by program should include all revenue associated with that benefit plan. That is, the full administrative cost, including any subsidization of that program benefit, should be reported with the benefit plan. As such, this is not intended to be specific to that source of revenue but to include all sources of revenue attributed to the administrative costs of the benefit plan.

For example, the program category for the GF benefit includes the State facilities (POSS), community GF allocation, local match, any excess local, reimbursements, etc. All costs regardless of fund sources attributed to the General Fund program should be reported in Row B6. Other service benefit categories should also include all revenue sources. Rows B7 must include all other service benefit categories.

It is recognized that some CMHSP/PIHPs may use GF or other funds to supplement the revenue in other program categories. For completion of this section, report the distribution of administrative costs to the listed program areas irrespective of the revenue source funding them. For example, if GF allocations were used to supplement administrative costs of the MIChild or any other waiver, these costs should be reported with the program in which the funds were used.

In Section B, CMHSPs are required to provide fund source information for **Row A8 total administrative costs** for each column. That is, if column C row A8 is \$1.3 Million, then Section B – Administrative Costs by Benefit Plan should provide the program benefit detail for the \$1.3 Million amount in Row A8. Correspondingly, the information reported in column D Row A8 would be distributed by benefit plan in Section B.

SECTION C. SUMMARY

This section of the report is intended to provide summary information about total expenditures by source of funding and to provide calculations of the percentage of administration. Columns are provided for the Gross (total) Program and benefit plans.

ROW C1. TOTAL EXPENDITURES BY BENEFIT PLAN. The total expenditures reported in Row C1 SHOULD NOT include Use Tax, local match contributions to Medicaid, ISF contributions and/or prior year adjustments. Total expenditures should include HRA payments made to the hospitals (eg excluding Use Tax).

Reconciliation information to the FSR is included as a new section (section D) of the Fy11 ACR, rather than being in the narrative.

ROW C2. TOTAL NET ADMINISTRATIVE COSTS. This row should automatically populate form section B.

ROW C3. PERCENT ADMINISTRATION - TOTAL EXPENDITURES. This is row C2 divided by row C1 expressed as a percentage.

Section D: Reconcile to FSR

Similar to MUNC and ABWUNC reconciliation, this section reconciles each benefit plan to a FSR section. The exception to the direct reconciliation is GF/Other. The obvious reconciling items are: contributions to ISF, Use tax, local match contribution, prior year adjustments. Rows are left for the CMHSP to identify other reconciling items.

COLUMN INSTRUCTIONS

CMHSP OPERATIONS

Columns C through E apply to the CMHSP direct operations (including all benefit plan “board administration”; excluding all administrative costs attributed to any direct services provided by the CMHSP); Column D reports all delegated administrative costs related to administration of any of the benefit plans.

COLUMN C. TOTAL ADMINISTRATIVE EXPENDITURES. This column is intended to identify the CMHSP direct operated expenditures for the (row) defined administrative functions including any functions and costs that are carried out or delegated to the CMHSP by the benefit plan by the PIHP.

COLUMN D. DELEGATED (CONTRACTED) NON-PROVIDER ADMINISTRATIVE COSTS.

This populates from Page 2 – delegated administration. All PIHPs delegate administrative functions and thereby costs to either affiliate CMHSPs or other organizations. In order to provide comparability across PIHPs/CMHSPs, the costs of these delegated functions must be included in administration costs reported by CMHSPs. Delegation detail must be reported on page two Delegation detail.

Part 2-Delegation Detail.

It is possible some CMHSPs (ie not the 18 PIHPs) have delegated administrative costs embedded in provider contracts. Please note that the inter-CMHSP purchasing is NOT a delegated cost. (See earlier for how to show these arrangements)

COLUMN E. TOTAL NON SERVICE CMHSP / PIHP ADMINISTRATION. This is the sum of column C and Column D.

PART 2 (DELEGATION DETAIL)

Part 2-Delegation Detail requires identification of each entity that is carrying out any administrative functions, including Coordinating Agencies, CMHSPs and other organizations. This delegation method could be through a capitated funding arrangement, a specific contract for these purposes, and the purchase of services, fixed sum, or other means. The narrative should describe the method of the delegation.

For both PIHP and CMHSP delegated functions, DCH understands that state summaries must adjust for this duplication.

DELEGATED (CONTRACTED) OR PURCHASED NON-PROVIDER ADMINISTRATION

Part 2 of the report requires the PIHP (and possibly a CMHSP) to identify each organization to which administrative functions have been delegated. The amount reported is the PIHP expenditure. Use a single column for each entity and a final column for the total of all previous columns. This information is also reported on page 1 - Column D. CMHSPs / PIHPs should insert additional columns if necessary to report each entity to which any of the administrative functions have been delegated.

A sub-total column has been added to show the portion of delegated done by the affiliate CMHSPs

PART 3 – CENTRALIZED FUNCTIONS

Part 3 applies only to the cost of administrative functions for MEDICAID AND ABW benefit plans ONLY that are **NOT charged back to the CMHSP**. The purpose of this form is to identify the cost of centralized functions across the affiliation or those CMHSPs benefiting from the services. . Special Note: if a CMHSP that is not a Hub PIHP also provides such services, this should also be reported in Part 3.

For FY11 reporting, this form has been revised to better identify the cost of centralized services across the participating CMHSPs (affiliation). This change requires that the cost of centralized functions be identified and distributed to each CMHSP (including the hub)

Note “centralized” functions for other fund sources are to be reported as “delegated/purchased” as in those instances the affiliate CMHSP paid the hub for these centralized (more efficient) services and thus has already been reported by the affiliate CMHSP as part of its overall admin costs.

Column A & B – is the same as sections A and B on Part 1.

Third Column – This is the same as Part 1-Column E and is the total Non-Service CMHSP administration.

Fourth Column -- For those CMHSPs/PIHPs providing centralized services, in this column, provide the cost of centralized and/or centrally provided functions that are not billed to the affiliate CMHSP or the CMHSP that is receiving the benefit of this service. For example, if the Hub PIHP provides a single centralized access function that is **not** charged back to the CMHSP, the total cost of the centralized access function should be provided in this column.

Fifth Column – Show the portion of the centralized costs that was for the affiliate CMHSPs. Please note – there are some hub PIHPs that see their own CMHSP as an affiliate. For these purposes in the column do NOT include the cost of centralized services for the hub CMHSP.

Cost Distribution To– The purpose of these columns is to identify the cost of the centralized administrative functions for each CMHSP for whom the function is provided. For example, using the centralized access function—costs might be estimated on the basis of the proportion of requests for access based on the county of residence for each CMHSP. Beginning with the FY11 report, the cost by CMHSP must be reported, and the method used to allocate these costs to each entity is to be described in the narrative, along with a description of these centralized costs in total.

III. ADMINISTRATIVE REPORTING CONTRACTUAL SERVICE PROVIDER – IRS 990 INFORMATION

The service provider report is intended to capture information about the largest providers as well as information about management entities used by CMHSPs/PIHPs to provide delegated administrative functions. The reporting format is taken from the IRS 990 Tax Return, Part IX, and is IRS required for submission by non-profit organizations. CMHSP/PIHPs are required to submit administrative cost information, obtained from the most recent IRS 990 Tax Return for certain types of CMHSP/PIHP contract providers. The reporting threshold is at least \$500,000 (gross) payments to the provider by the reporting CMHSP/PIHP.

There are a small number of CMHSP/PIHP provider organizations that meet this reporting threshold and that are designated as "for-profit". In order to have comparable administrative cost information for all CMHSP/PIHP providers, CMHSPs should take action with for-profit providers to obtain the equivalent to the information required on this form using the same instructions that apply to the IRS 990 Part IX form for reporting of FY11 expenditure information if not yet available.

Information for the providers meeting the criteria listed below must be reported:

1. For the CMHSP top six (6) contractual service providers receiving over \$500,000 from the CMHSP (service provider) AND
2. Any management entity (other than an affiliate CMHSP or CA) to whom the CMHSP has delegated administrative functions that also manages a provider network if over \$500,000. This is expected to include the MCPN structure in place in the Detroit-Wayne County Community Mental Health Agency (administrative provider type) AND
3. For those management entities reported above (item 2), their top six contractual service providers receiving over \$500,000 in funding. Note - for this reporting segment, specify both the management entity and the name of the provider in the applicable row provider name) (admin sub-contract provider type).

NOTE: CMHSPs contracting with MORC for over \$500,000 must include MORC and its top five providers receiving over \$500,000 from MORC for the reporting CMHSP.

INSTRUCTIONS

The administrative cost reporting categories follow the line instructions for the IRS 990 form. If IRS 990 information is not available for a non-profit provider, report all available information on the report and include a footnote that the IRS 990 information was not available.

Additionally, general information is required as follows:

- In the provider type row specify whether the provider is: service OR administrative OR an administrative sub-contractor (use "admin sub-contract" for this category).
- In the Profit Type row, specify whether the provider is non-profit or for-profit.
- In the tax return year row, specify the calendar year end date for which the provider filed the IRS 990 tax return.

Note that a small number of for-profit providers are anticipated to meet these reporting thresholds. Since for-profit providers are not required to file an IRS 990 form, list the provider if they meet the reporting threshold specified above and report all available information on the

contractual provider page of the report. Indicate in the row provided whether this is a for-profit provider.

II. NARRATIVE DESCRIPTION AND EXPLANATION

Each CMHSP must provide a narrative describing its cost allocation processes (including by function and benefit plan), delegation arrangements, centralized administrative functions, and other information. This narrative is expected to provide an explanation of information reported on the Administration Cost Report. This will provide guidance to MDCH in understanding the information submitted as well as the adequacy of the reporting forms and instructions.

The narrative should be submitted as a word document and include the following. An example of how the narrative should be structured is attached.

The name of the CMHSP, the contact person name and e mail address and date submitted should be included.

A. DIRECT SERVICE PROVISION

If the CMHSP directly operates and provides consumer services, specify the gross amount, including the administrative costs allocated to direct-run mental health services for the reporting year. Additionally, provide total service expenditures (including provider administration and the % of service dollars that are directly operated by the CMHSP. Separately report administrative costs for direct run services. Also include a brief description of how administrative costs for direct service was identified/allocated

B. COST ALLOCATION METHODOLOGY

Provide a brief description of how the costs were identified for each column in ACR Part One Section A, ie column C though E of the ACR)

C. ADMINISTRATIVE COSTS BY CATEGORY

In this section provide a brief description of how the CMHSP assigns staff and costs to each of these cost categories. Provide a description of any changes in reporting from the prior year report. Plus provide a brief description of the access/eligibility determination costs that are included as administration (and not as services)

D. COSTS BY BENEFIT PLAN

In this section provide a brief description of how the CMHSP assigns costs, both administrative and services, by benefit plan

E. DELEGATION ARRANGEMENTS. Describe the nature of the delegation arrangements - including whether the arrangement is contractually delegated at cost, is a purchased service, is an administrative fee, embedded in a bundled amount, etc.

F. HUB PIHP CENTRALIZED SERVICES

Describe the centralized services; how it was split between the hub CMHSP and the other CMHSPs, and how the hub spread/distributed those costs between the affiliates.

G. GF and other costs to FSR

Describe the relationship between the GF costs reported on the ACR and the GF section of the FSR as well as the relationship between other costs on the ACR and the costs on the FSR.

H. SUPPLEMENTAL NARRATIVE

The CMHSP/PIHP has the option to submit additional explanatory information.

EXAMPLE FY11 ACR NARRATIVE

CMH NAME
CONTACT PERSON
CONTACT'S EMAIL ADDRESS

A. DIRECT SERVICE PROVISION

1. CMH Name does / does not provide direct services
2. The FY11 total direct run mental health services expenditures (including the distribution of administrative costs) were: \$###,###. Administrative costs for direct run services were: \$###,###
3. The FY11 total contractually provided services expenditures (including contractor's admin costs) were: \$###,###.
4. Of all service costs, the CMHSP directly provided services were: ##.##%.

B. COST ALLOCATION METHODOLOGY

1. Brief description of the CMHSP cost allocation methodology.
2. Brief description of how the costs for each of the expenditure categories for the CMHSP Administration Reporting Form Section (A) Administrative Costs were developed for the Section A columns C, D, E and F.

C. ADMINISTRATIVE COSTS BY CATEGORY

1. Provide a brief description of how the CMHSP assigns costs to each of these categories/functions. DCH understands that some staff provide services in more than one functional area. Correspondingly, these costs must be allocated; the narrative should include the allocation method.
2. Provide a description of any changes in reporting from the prior year report. Also include any deviation from the guidance in reporting for each function.
3. Utilization Management - Row A5. Access and eligibility determination is included in Utilization Management. Describe the CMHSP access arrangement (system) and the costs included in row A5. Also identify the access activities that are reported as face-to-face and therefore excluded from this report.

D. COSTS BY BENEFIT PLAN

1. Brief description of the CMHSP cost allocation methodology for assigning administrative costs by benefit plan.
2. Brief description of the CMHSP cost allocation methodology for assigning service expenses by benefit plan.

E. DELEGATION ARRANGEMENTS

- Describe the nature of the delegation.

F. HUB PIHP NARRATIVE

If the CMHSP functions as the Hub in an affiliate arrangement, describe the centralized services provided by the hub. The form requires that centralized functions that are not charged back to the other CMHSP be reported in the 3rd section. Describe the centralized services and the methodology used to "allocate" these costs by each CMHSP.

Note – this should NOT include the costs for ASO functions that the affiliate CMHSP purchases from the hub.

G. GF and other costs to FSR

Describe the relationship between ACR reported GF and other costs to the FSR reported GF and other costs.

H. SUPPLEMENTAL NARRATIVE

The CMHSP/PIHP has the option to submit additional explanatory information.

Narrative here.