

MHR SB PLANNING & FINANCE COMMITTEE MEETING

May 5, 2015

4:00 p.m.

Agenda

Item	Information Enclosed	Action Required	Allocation Required	Page
1. Call to Order				
2. Recognition of Visitors				
3. Meeting Minutes – April 7, 2015	✓	✓		1-4
4. FY 2016 Purchasing Plan – Proposed Allocations	✓	✓	✓	5-10
5. FY 2016 Provider Agreement - Annual Audit 7.5.1 Language Discussion	✓	✓		11-12
6. FY 2016 Coordination of Benefits Language Discussion	✓	✓		13-14
7. Open Session				
8. Adjournment				

PLANNING & FINANCE COMMITTEE MINUTES**April 7, 2015**

Committee Members Present:

Tawny Cowen-Zanders

Pastor Waverly Earley

Linda Howe

Neema Bell, P&F Chair

Lynn Olman

William Sanford

Dr. Tim Valko

Other Trustees Present:

Audrey Weis-Maag

Kyle Schalow

Committee Members Not Present:

N/A

Visitors: Richard Arnold; Larry Leyland, TASC; Jim Aulenbacher, Harbor; John DeBruyne, Rescue; Paul Lewis, Recovery Council; Kathi Cesan, Zepf, Joan Lozon, New Concepts; Annette Clark, FSNO; Johnny Mickler, Sr., BB/BS; Geof Allan, UMADAOP; Albert Earl, UMADAOP.

Staff: Scott Sylak, Tom Bartlett, Donna Robinson, Karen Olnhäusen, Amy Priest, Tim Goyer.

Ms. Bell, Planning & Finance Committee Chair, opened the meeting at 4:00 p.m. with introduction of visitors.

Meeting Minutes: March 3, 2015

There were no revisions or corrections to the minutes and they were approved by consensus.

Agencies' December FYTD Financial Results Update

Mr. Bartlett indicated that at the last Planning & Finance Committee meeting, staff reported the December FYTD agencies' financial results. During the discussion, a Committee member requested that the staff prepare this report to include prior years' actual financial results for the same time periods for comparison from year-to-year. Mr. Bartlett reviewed the financial results for each agency broken down by FY 2011 – FY 2015 outlined on pages 6-10 of the meeting packet. He indicated that on a quarterly basis moving forward that this report format will be followed.

120-Day Notices of Material Change to Contracts

Mr. Goyer referred to pages 12 & 13 for a summary of the 120-Day Notices of Material Change to Contracts, highlighting that previously the MHRSB issued seven notices that it did not intend to fund for programs in FY 2016, or that funding levels would be reduced from FY 2015. TASC and SACC elected to appeal their notices, and Board staff is in active negotiations with them to restructure elements in these programs that will allow some funding to these two agencies. Mercy St. Vincent appealed their 120-Day Notice related to the Mother and Child Dependency Program outlining a change from the original 100 mothers anticipated to be served in the

PLANNING & FINANCE COMMITTEE MINUTES**April 7, 2015**

program to 50 mothers estimated to be served, which is 10 additional mothers from the 40 mothers who have engaged in the program in FY 2015. Staff is currently reviewing Mercy's proposal and will be bringing forth a recommendation to the Committee for FY 2016.

The Family Services of Northwest Ohio received a 120-Day Notice on their "Breaking the Cycle" Program. They requested to continue the program serving a lower number of people (20 parents and 52 youth). Staff recommended a reduction in funding for this program from \$162,703 per year to \$36,278 due to the dramatic decrease in the number of people served from their proposal in FY 2015. At the March 31, 2015 Programs & Services Committee meeting, the following motion was presented to the Committee for their consideration and is now being forwarded for the P&F Committee's consideration to move it forward for recommendation to the Board of Trustees:

The Mental Health and Recovery Services Board of Lucas County allocates \$36,278 to Family Services of Northwest Ohio – Toledo to provide the Breaking the Cycle Program for the period of July 1, 2015 through June 30, 2016. MHRSB's Executive Director is authorized to negotiate acceptable outcomes and to execute an FY 2016 Provider Agreement.

There was consensus to move this motion forward to the Board of Trustees.

Sylvania Community Action Team (SCAT) also received a 120-day notice that MHRSB did not intend to fund their Drug Drop-off program. This program was written to be done in conjunction with the DEA to drop off unwanted prescriptions on two designated days in a specific location. Since the project was approved for funding, the DEA no longer sponsors the events, however, a number of permanent drop-off locations have been established in the community and are accessible throughout the entire year. The Board originally issued notice of its intent not to fund the program because of these changes. SCAT appealed and asked to continue the project with increased Board funding, noting that their efforts were to promote proper disposal of prescription drugs, and they would still emphasize two special days. While staff does not support SCAT's request for increased funding, they do support continuation of the FY 2015 allocation since the original allocation anticipated span of three years.

The following motion was recommended to the Board of Trustees:

The Mental Health and Recovery Services Board of Lucas County allocates \$18,000 to Sylvania Community Action Team to provide the Community Drug Drop Off Program for the period of July 1, 2015 through June 30, 2016. MHRSB's Executive Director is authorized to negotiate acceptable outcomes and to execute an FY 2016 Provider Agreement.

There was consensus to move this motion forward to the Board of Trustees.

FY 2016 Subsidy Schedules

Mr. Bartlett referred to pages 14-16 of the meeting packet which contained the MHR SB FY 2016 Schedule of Eligibility by Income and Family Size, as well as the proposed FY 2016 MH and AOD services Schedule of Subsidies. He indicated that every year the Board provides updated subsidy schedules which reflects the updated U.S. Department of Health and Human Services (HHS) Federal Poverty Guidelines. Mr. Bartlett explained that except for updating the Board's subsidy support with the HHS's 2015 Poverty Guidelines' income and family size, there are no changes from the FY 2015 Subsidy Schedules for FY 2016. These new FY 2016 Subsidy Schedules will go into effect on July 1, 2015.

The following motion was recommended to the Board of Trustees:

The Mental Health and Recovery Services Board of Lucas County approves the revised FY 2016 MH and AOD Services Schedules of Subsidies included in the April 21, 2015 MHR SB Board packet to be effective July 1, 2015.

There was consensus to move this motion forward to the Board of Trustees.

Planning & Finance Committee Charter Review

Mr. Sylak stated that each year the Planning & Finance Charter is presented to the Committee for their review and approval. Mr. Sylak didn't have any recommended changes to the Charter and presented it to the Committee for their consideration. There were no recommendations to change the Charter by the Committee and it was approved by consensus.

Open Session

- Mr. Sylak brought up the AOD Schedule of Subsidies for the Subacute Detoxification and Residential Treatment indicating that this year there wasn't a dollar amount designated because staff is working with the Zepf Center to consider unbundling these services and transferring from a day rate to an unbundled individual treatment rate. Staff has been told that the residential treatment and detoxification daily rates are substantially less than the actual cost of detoxification and residential treatment services. Dr. Valko indicated that in the past the MHR SB has subsidized payment for insurance rates if a provider doesn't accept an insurance rate, and the Board is billed for the difference. If the client doesn't go to a provider that accepts their insurance plan, the Board is billed for the service instead of referring the client to a provider that accepts the client's private insurance. Dr. Valko requested that Staff investigate with the agencies what insurance plans they contract with and how patients are steered to providers that accept their insurance through Central Access, as well as what insurance plans Central Access accepts. Mr. Sylak said staff will present the FY 2016 provider contract at next Tuesday's Governance Committee meeting and provide additional feedback from agencies to the Committee with regard to coordination of benefits language.

PLANNING & FINANCE COMMITTEE MINUTES

April 7, 2015

- Mr. Schalow indicated that Larry Vandenberg is hosting a new radio program on WLQR in correlation with the Solace Groups (state-wide initiative of grieving mothers surviving the loss of their children due to painkiller addiction). Deb Chany and Amy Barret are his first two guests appearing on the radio show.

Adjournment

The meeting was adjourned at 4:44 p.m.

FY 2016 Purchasing Plan – Proposed Allocations

Attached is a list of allocations that MHR SB staff proposes that the Board consider for FY 2016 funding. For comparative purposes, the list also includes FY 2015 approved allocations and the FY 2016 amount that providers requested. The total investment that is proposed at this meeting is \$17,492,243. It is noted that there are four items of indeterminate amounts for which recommendations are yet to be proposed. No allocation is listed for the Cognitive Enhancement Therapy (CET) training program that MHR SB funded in FY's 2014 and 2015. The program appears to have been successful, but we are awaiting a meeting with the providers and CET Cleveland on May 18, 2015 to determine what funding is required going forward and if there is justification to consider expanding the program. No allocation has been made for TASC criminal justice linkage and re-entry programming; a 120-day Notice was issued for one of the elements because of utilization issues. Staff is in amicable negotiations with TASC and the Lucas County Jail to "right size" the program, but there remains some uncertainty as to the role that TASC will have in the jail programming. Zepf requested new funding for Recovery Housing in anticipation of an OhioMHAS grant expiring. There is now some indication that the state grant will be renewed, so no recommendation is being made for that program until that funding issue is resolved.

In addition to the three programs for which a recommendation for funding may be forthcoming, a line item on the allocation worksheet sets aside \$1,800,000 as an estimate for new programming that will be sought through an RFP process. [The amount may vary depending on allocations yet to be made and/or underspending amounts in FY 2015.] Though these funds have not been directed to any agency, an estimated amount has been included in the Board's financial forecasting models.

Prior to making its recommendations, staff reviewed Outcomes Reports for the period ended December 31, 2014, financial utilization through the same period, and third quarter outcomes for agencies that were questionable at the half-year. Some highlights of the resultant recommendations include:

- Earlier this year, Mercy St. Vincent's and Swanton Area Community Coalition (SACC) received 120-Day Notices for their prevention programs. Staff reviewed their appeals and supporting documentation, and now recommends funding Mercy's Mother and Child Dependency Program at a reduced amount, and funding SACC at the same amount as last year in partnership with the Four-County ADAMHS Board.
- Allocations for MH Outpatient Treatment (non-Medicaid) are reduced by \$1,200,000 (26%) from FY 2015 allocations due to projected under-utilization in FY 2015.

- Allocations for AOD Treatment services are down 3%. Under-utilization of FY 2015 allocations was offset by increases in Medication Assisted Treatment (MAT) for opiates at Harbor, New Concepts, Unison, and Zepf. Allocations to A Renewed Mind, Lutheran Social Services and UMADAOP that were made from the 507 Rapid Response funding in FY 2015 are recommended for continuation in FY 2016.
- AOD allocations to Zepf reflect the following significant changes from past years:
 - First, it is recommended that MHR SB provide an allocation for Methadone Administration for non-Medicaid clients. In the past, clients were required to pay for this service regardless of their income. The Board's allocation would be subject to current eligibility requirements.
 - Second, because of limitations to the utilization of their 16-bed inpatient facility, Zepf Center has decided to take a different approach to what was previously called "Short Term Residential Treatment Service;" in FY 2016, clients will be housed in the new Recovery Housing program and will be transported to the Ashland Avenue office for intensive treatment. This change is reflected in the elimination of the "Residential Treatment" line item and an increase in "AOD Outpatient Treatment." Similarly, what was previously billed as "Inpatient Detox" will now be billed as AOD outpatient treatment.
- Twenty-four (24) programs are recommended for a 2% increase which adds a total of just over \$121,400 additional funding. These are all grant funded programs that were meeting the agreed upon outcomes in FY 2015.
- Three (3) programs have been recommended for allocation increases based on programmatic needs or increased demand that was identified in the application process; they were Community Senior Prevention (Harbor), Creative Expressions (NAMI) and Winter Crisis (St. Paul's Community Center).
- Allocations to CCNO and the Lucas County Jail for medication upon release were reduced by \$25,000 each, based upon utilization.

As noted above, allocations for CET and TASC's re-entry/linkage programming will be forthcoming, and possibly an allocation for Zepf's Recovery Housing. Also noted earlier, it is likely that \$1,800,000 will be requested at a later date under the category of "FY 2016 Targeted Allocations." Staff intends to identify a number of initiatives for which it will solicit proposals from providers and/or vendors in order to develop new projects in FY 2016. All of the above are provided for in the Board's Financial Forecast.

PLANNING & FINANCE COMMITTEE MEETING**May 5, 2015**

At its April 28, 2015 meeting, the Programs & Services Committee reviewed an earlier version of the allocation worksheet and recommendations. The Committee was informed that the worksheet they reviewed (updated April 23, 2015) needed to be reduced by \$5,482 because three programs had unintentionally been awarded 2% increases. Also, subsequent to that meeting, staff received a request from ABLE to continue its \$5,000 FY 2015 allocation for Psychological Testing in FY 2016. That allocation is recommended, and both of the changes are reflected in the current worksheet (updated 4/30/2015). The Programs & Services Committee reached consensus to forward the recommendations to the Board for approval.

The following motion is recommended to the Board of Trustees:

The Mental Health and Recovery Services Board of Lucas County allocates \$17,492,243 to fund the purchase of prevention, treatment, and other supportive services in FY 2016. The Board's Executive Director is authorized to execute appropriate FY 2016 Provider Agreements with the Agencies and for the amounts listed on the FY 2016 Allocations Worksheet included in the May 19, 2015 Board meeting packet.

FY 2016 Allocations Worksheet

Agency	Program	Approved FY 2015 Allocations	Agency Requested FY 2016 Allocations	Board Staff Proposed FY 2016 Allocations	Comments
A Renewed Mind	Cognitive Enhancement	\$ 53,000	\$ 41,010	\$ -	Pending 5/18 Meeting
A Renewed Mind	AOD Outpatient Treatment	\$ 50,000	\$ 153,000	\$ 50,000	<i>Increase not Recommended</i>
A Renewed Mind	LCCC Vivitrol Program	\$ 100,000	\$ 100,000	\$ 100,000	
Total ARM		\$ 203,000	\$ 294,010	\$ 150,000	
ABLE	MH Impact Project	\$ 132,177	\$ 132,176	\$ 132,176	
ABLE	Government Benefits	\$ 71,925	\$ 71,925	\$ 73,364	2% increase
ABLE	Government Benefits	\$ 5,000	\$ 5,000	\$ 5,000	
Total ABLE		\$ 209,102	\$ 209,101	\$ 210,540	
Adelante	Buena Vida	\$ 90,000	\$ 90,000	\$ 91,800	2% increase
Adelante	Nosotras	\$ 28,200	\$ -	\$ -	120 Day Notice
Total Adelante		\$ 118,200	\$ 90,000	\$ 91,800	
Big Brothers BS	Mentoring Triad	\$ 45,122	\$ 45,122	\$ 45,122	
Harbor	MH Outpatient Treatment	\$ 1,205,000	\$ 1,182,413	\$ 900,000	
Harbor	AOD Outpatient Treatment	\$ 100,000	\$ 170,735	\$ 200,000	Add Suboxone
Harbor	Suboxone	\$ -	\$ 57,360	\$ -	Consolidated above
Harbor	Mental Health First Aid		\$ 25,752	\$ -	<i>Increase not Recommended</i>
Harbor	Engagement Services	\$ 245,000	\$ 249,900	\$ 249,900	2% increase
Harbor	Preventing Psych. Emerge.	\$ 153,856	\$ 159,242	\$ 156,933	2% increase
Harbor	Cognitive Enhancement	\$ 53,000	\$ 30,000	\$ -	Pending 5/18 Meeting
Harbor	School/Comm. Prevention	\$ 360,000	\$ 367,200	\$ 367,200	2% increase
Harbor	Early Childhood Prevention	\$ 79,000	\$ 81,054	\$ 79,000	
Harbor	Community Senior Prev.	\$ 154,026	\$ 205,016	\$ 205,000	Requested increase.
Harbor/UMADAOP	Heroin Prev. Education	\$ 100,000	\$ 102,890	\$ 102,000	2% increase
Total Harbor		\$ 2,449,882	\$ 2,631,562	\$ 2,260,033	
Learning Club	After School Programming	\$ 107,602	\$ 107,602	\$ 109,754	2% increase
Lutheran Social Svcs	AOD Outpatient Treatment	\$ 50,000	\$ 50,000	\$ 50,000	
Mercy St. Vincent's	Mother & Child Dependency	\$ 143,565	\$ 71,829	\$ 71,829	Decreased thru Appeal
NAMI	Suicide Prevention	\$ 30,000	\$ 30,000	\$ 30,600	2% increase
NAMI	Education/Outreach/Advoc.	\$ 102,900	\$ 102,900	\$ 104,958	2% increase
NAMI	Creative Expressions	\$ 40,996	\$ 79,754	\$ 79,754	Requested increase.
NAMI	Family Navigator	\$ 100,000	\$ 100,000	\$ 102,000	2% increase
Total NAMI		\$ 273,896	\$ 312,654	\$ 317,312	
New Concepts	MH Outpatient Treatment	\$ 75,000	\$ 75,000	\$ 25,000	
New Concepts	AOD Outpatient Treatment	\$ 598,054	\$ 598,054	\$ 640,000	Add Suboxone
Total New Concepts		\$ 673,054	\$ 673,054	\$ 665,000	
NPI	ACF Operations	\$ 986,315	\$ 986,315	\$ 1,006,041	2% increase.
NPI	Rental Assistance	\$ 780,060	\$ 780,060	\$ 795,661	2% increase.
NPI	PATH (Match)	\$ 53,517	\$ 53,517	\$ 53,517	
NPI	Road to Recovery	\$ 105,000	\$ 105,000	\$ 105,000	
NPI	PSH Modernization	\$ 600,000	\$ 250,000	\$ 250,000	
NPI	Peer Recovery Coaching	\$ 300,000	\$ 300,000	\$ 306,000	2% increase.
Total NPI		\$ 2,824,892	\$ 2,474,892	\$ 2,516,220	

FY 2016 Allocations Worksheet

Agency	Program	Approved FY 2015 Allocations	Agency Requested FY 2016 Allocations	Board Staff Proposed FY 2016 Allocations	Comments
Rescue	Adult Crisis Stabilization Unit	\$ 500,000	\$ 500,000	\$ 500,000	
Rescue	Outreach/Emergency Svcs.	\$ 1,358,808	\$ 1,358,808	\$ 1,358,808	
Rescue	Child/Adolescent CSU	\$ 560,000	\$ 560,000	\$ 560,000	
Rescue	Inpatient Doctors	\$ 450,000	\$ 450,000	\$ 450,000	
Rescue	Central Access	\$ 530,000	\$ 530,000	\$ 530,000	
Rescue	Juvenile Detention/Assess.	\$ 122,000	\$ 137,400	\$ 137,400	
Total Rescue		\$ 3,520,808	\$ 3,536,208	\$ 3,536,208	
St. Paul's	Winter Crisis	\$ 38,500	\$ 55,000	\$ 55,000	Requested amount.
St. Paul's	Shelter Beds	\$ 230,375	\$ 230,375	\$ 230,375	
St. Paul's	Payee Program	\$ 199,500	\$ 199,500	\$ 203,490	2% increase.
St. Paul's	Outreach Coordinator	\$ 55,000	\$ 55,000	\$ 55,000	
Total St. Paul's		\$ 523,375	\$ 539,875	\$ 543,865	
Swanton Area CC	Parent & Community	\$ 26,642	\$ 26,642	\$ 26,642	
Sylvania CAT	Parent Training & Education	\$ 82,882	\$ 110,509	\$ 110,509	
TASC	Community Transition	\$ 220,000	\$ 220,000		Pending Discussion
TASC	Forensic Linkage	\$ 158,550	\$ 158,550		"
TASC	Release to Recovery	\$ 8,000	\$ 8,000		"
TASC	Community Innovations	\$ 89,333	\$ -		"
TASC	Family Drug Court	\$ 70,110	\$ 70,110	\$ 70,110	
TASC	Operations	\$ 48,728	\$ 48,728	\$ 24,364	
Total TASC		\$ 594,721	\$ 505,388	\$ 94,474	
UMADAOP	AOD Outpatient Treatment	\$ 50,000	\$ 50,000	\$ 50,000	
UMADAOP	Healthy Workplace	\$ 50,000	\$ 50,000	\$ 51,000	2% increase.
UMADAOP/Harbor	Heroin Prevention	\$ 150,000	\$ 150,000	\$ 150,000	
UMADAOP	Circle of Recovery	\$ 6,932	\$ 6,932	\$ 3,466	
Total UMADAOP		\$ 256,932	\$ 256,932	\$ 254,466	
Unison	MH Outpatient Treatment	\$ 1,792,000	\$ 1,792,000	\$ 1,200,000	Consolidate Allocation
Unison	Dual Disorder Treatment	\$ 268,625	\$ 268,625	\$ 400,000	Add Suboxone
Unison	Adult AOD Treatment	\$ 200,000	\$ 200,000		2% increase.
Unison	Engagement Services	\$ 248,000	\$ 248,000	\$ 252,960	2% increase.
Unison	Preventing Psych. Emerge.	\$ 149,586	\$ 149,586	\$ 152,578	2% increase.
Unison	Residential Support	\$ 121,000	\$ 121,000	\$ 123,420	2% increase.
Unison	Cognitive Enhancement	\$ 53,000	\$ 53,000	\$ -	Pending 5/18 Meeting
Unison	Prevention Services	\$ 78,000	\$ 78,000	\$ 79,560	2% increase.
Total Unison		\$ 2,998,639	\$ 2,910,211	\$ 2,208,518	
Wernert Center	Operations/Club Room	\$ 256,700	\$ 261,834	\$ 267,071	2% increase.
Wernert Center	Peer Enrichment Program	\$ 313,800	\$ 320,076	\$ 326,478	2% increase.
Total Wernert Center		\$ 570,500	\$ 581,910	\$ 593,548	

FY 2016 Allocations Worksheet

Agency	Program	Approved FY 2015 Allocations	Agency Requested FY 2016 Allocations	Board Staff Proposed FY 2016 Allocations	Comments
Zepf	MH Outpatient Treatment	\$ 1,553,000	\$ 1,553,000	\$ 1,300,000	
Zepf	AOD Outpatient Treatment	\$ 417,981	\$ 1,288,524	\$ 908,269	Unbundled rate
Zepf	AOD - SASI Methadone	\$ 131,024	\$ -	\$ -	
Zepf	MAT - Suboxone	\$ 203,700	\$ -	\$ -	
Zepf	Residential Treatment	\$ 392,272	\$ -	\$ -	
Zepf	Inpatient Detox	\$ 143,547	\$ -	\$ -	Unbundled rate
Zepf	Methadone Administration		\$ 232,000	\$ 232,067	New Payable Service
Zepf	Inpatient Detox - Food		\$ 70,000	\$ -	Increase not Recommended
Zepf	Engagement Services	\$ 100,000	\$ 100,000	\$ 102,000	2% increase
Zepf	Preventing Psych. Emerge.	\$ 150,000	\$ 150,000	\$ 153,000	2% increase
Zepf	Preventing Psych. Emerg.		\$ 73,000	\$ -	Increase not Recommended
Zepf	Cognitive Enhancement	\$ 53,000	\$ 122,000	\$ -	Pending 5/18 Meeting
Zepf	Residential Support	\$ 393,828	\$ 393,828	\$ 401,705	2% increase.
Zepf	Womens Set Aside	\$ 36,766	\$ 36,766	\$ 18,383	
Zepf	Recovery Housing		\$ 150,000	\$ -	
Zepf	Gambling Prevention	\$ 58,250	\$ 58,250	\$ 58,250	
Zepf	Gambling Treatment	\$ 20,000	\$ 70,000	\$ 20,000	
Total Zepf		\$ 3,653,368	\$ 4,297,368	\$ 3,193,674	
Board/Staff Directed Allocations					
CCNO	Medication	\$ 65,000	\$ 65,000	\$ 40,000	
Family Council	Pooled Funds	\$ 228,000	\$ 228,000	\$ 228,000	
LC Adult Probation	Forensic Monitor	\$ 60,730	\$ 60,730	\$ 60,730	
LC Sheriff - Jail	Medication	\$ 65,000	\$ 65,000	\$ 40,000	
MHRS Board	Mental Health First Aid	\$ 50,000	\$ 50,000	\$ 50,000	
United Way	Social/Emotional Learning	\$ 24,000	\$ 24,000	\$ 24,000	
FY 2016 Allocations		\$ 19,818,911	\$ 20,217,599	\$ 17,492,243	
FSNO	Breaking the Cycle	\$ 162,703	\$ 36,278	\$ 36,278	Allocated April 2015
Sylvania CAT	Community Drug Drop Off	\$ 18,000	\$ -	\$ 18,000	Allocated April 2015
OOD	Recovery to Work	\$ 265,000	\$ 289,025	\$ 265,000	Allocate Aug/Sep 2015
Targeted Allocations	To Be Determined	\$ 1,087,885	\$ -	\$ 1,800,000	Estimated
FY 2016 Purchasing Plan		\$ 21,352,499	\$ 20,542,902	\$ 19,611,521	
Pending Allocations:					
System	<i>CET Continuation/Expansion</i>				
TASC	<i>Forensic Linkage and Reentry Allocation</i>				
Zepf	<i>Recovery Housing Grant Allocation</i>				

Updated on 4/30/2015

FY 2016 Provider Agreement Annual Audit 7.5.1 Language Discussion

The Board staff is recommending some modification to the Annual Audit 7.5.1 Language. This article of the proposed FY 2016 Provider Agreement discusses the requirement that agencies need to deliver their audited financial statements no later than four months after the end of their fiscal year.

This article continues into a description of penalties if the agency does not deliver the audited financial statements within the designed time period. Attached is the proposed FY 2016 language with the proposed revisions shown in red.

The most significant change to this article is that the Executive Director loses his discretion to change the penalty amounts and his ability to recommend to the Board a mutually beneficial settlement which would be in lieu of a cash payment from the agency. In actual practice, this FY 2015 current language creates agency confusion as to what penalties, if any, apply to their late submission of the audited financial statements to the Board.

The Board staff recommends that the Executive Director discretion should be eliminated. If an agency wants to appeal a penalty amount or propose a mutually beneficial settlement, the Board of Trustees should be making these decisions. It is important that the penalty section of Article 7.5.1 should remain in the Provider Agreement to provide an incentive to the agencies to submit their audited financial statements within four months of the close of their fiscal year, but the current FY 2015 Provider Agreement language delegates too much authority to the Executive Director.

The proposed FY 2016 penalty assessment language and the right of the agencies to appeal their penalty amount directly to the Board provide more clarity to the Provider agreement. It is important that when the Provider Agreement talks about Board imposed penalties, this language should be concise and clear as to the agencies' rights which should include the right to appeal.

Proposed FY 2016 Annual Audit Language
As Compared to the FY 2015 Provider Contract COB Language
Suggested Changes Shown in **Red**

7.5.1 Annual Audit. The Agency shall have a financial and fiscal compliance audit performed annually by an independent certified public accountant approved by the Board.

The Agency shall submit the final report of this audit to the Board within four (4) months after the end of the Agency's fiscal year, but not later than November 1 (**State Fiscal Year**) or **May 1 (Calendar Year)**. No time extensions will be granted. If the Agency fails to submit the audit report **by the appropriate due date**, the Agency will be assessed a \$1,000.00 penalty effective immediately. An additional penalty of \$500.00 per week will be assessed until the annual audit is completed and received by the Board.

Within 14 days after notification of the penalty by Board staff, the Agency may appeal in writing any assessed penalty to the MHRS Board. The MHRS Board will act on the Agency's appeal within 30 days which may in its discretion enforce, waive or amend the penalty. The decision of the MHRS Board is final.

Penalties will be withheld, lump sum, from any amounts otherwise due to the Agency. The Agency may request a different penalty payment plan in writing which the Executive Director has the discretion to accept or amend the Agency's proposed payment plan.

FY 2016 Coordination of Benefits Language Discussion

At the April 28, 2015 Programs & Services Committee meeting, the Coordination of Benefits Language was discussed. Board staff went through a timeline that led to the current FY 2015 Coordination of Benefits language. The Board staff wanted some reactions from the P&S Committee members as to whether this current language needed to be revised.

After considerable discussion, the Committee members wanted to solicit comments from the treatment providers as to whether this Coordination of Benefits language needed to be revised. The Board staff was asked to gather this input by sending the current Coordination of Benefits language, as well as the Harbor proposed changes to the Coordination of Benefits language, to the treatment agencies. The Board staff indicated that a revised draft of the Coordination of Benefits language would be discussed at the May 5, 2015 Planning & Finance Committee meeting.

Attached is the proposed FY 2016 Coordination of Benefits language. The Board staff considered the comments of the treatment providers in drafting this language. The most significant change proposed is that new clients who have insurance and do not have any affiliation with our Board funded agencies will be referred to that insurance companies in-network providers. If there are no in-network providers within our Board funded agencies, the client will be referred out of our system of care to that insurance company's in-network provider.

This proposed Coordination of Benefits language should be viewed as draft language. The Board staff will review this language at the May 5, 2015 P&F Committee meeting and if the Committee members want to make changes, the Board staff will revise this draft language and it can be reviewed by the Programs & Services Committee later this month.

Proposed FY 2016 COB Language
As Compared to the FY 2015 Provider Contract COB Language
Suggested Changes Shown in **Red**

6.1.4 Coordination of Benefits. If services for an eligible client are covered in part by commercial insurance or Medicare, the Agency may bill the Board as follows:

a. Medicare primary – The board may be billed for the Medicare Allowed Rate less any Medicare payments **less any copay required by the board subsidy schedule.**

b. Commercial Insurance primary – The board may be billed for the lessor of the contracted insurance rate, **the contracted insurance’s Usual and Customary rate,** or the Board’s allowed rate less any payments received from the insurance company **less any copay required by the Board subsidy schedules.**

c. Commercial Insurance payment from non-contracted carrier – When the Agency receives a non-negotiated payment from a carrier (e. g. UCR) that is less than the Board’s allowed rate, the Board may be billed for the difference. **No clients will have to change their treatment agency due to the agency not having contracted insurance rates with that client’s insurance.**

d. New Clients who are not affiliated with any of the Board funded Agencies - Clients who are new to the Board’s system of care, are not affiliated with any of the Board funded agencies and have insurance coverage will be referred for treatment to that insurer’s in-network providers. **If none of the Board funded agencies are in-network providers for the insurance carrier, clients will be referred to an in-network provider outside of the Board funded agencies.**