

**INSTRUCTIONS: SUD BUDGET REPORT**  
**Fiscal Year 2018**

**General Report Overview**

The SUD Budget Report is a comprehensive report of all Substance Use Disorder (SUD) activity of the Prepaid Inpatient Health Plan (PIHP) that holds the Medicaid Managed Specialty Supports and Services Concurrent 1915(b)/(c) Waiver Program Contract with the Michigan Department of Health and Human Services (MDHHS). The SUD Budget Report summarizes the revenues and expenditures related to the SUD Contract by *FUNDING* utilized. The PIHP should report under each “funding” source only those expenditures funded with that source (Refer to “Row B – Medicaid” for clarification). Additionally, the SUD Budget Report will identify balances by funding source and local match compliance.

The SUD Budget Report will be used by the MDHHS as a tool for both Contract Management and Accounting Offices as recognition that the PIHP acknowledges their initial allocation, any changes made to their budget, and their final expenditures. In addition, this report will provide the basis for the annual prepayment and expenditure reconciliation.

The PIHP shall comply with Generally Accepted Accounting Principles, along with any other federal and state regulations as defined in the PIHP Agreement. As such, the revenue and expenditure amounts reported must include all earned reimbursements and/or obligations regardless of whether they have been billed or collected. The budgeted revenue on this report must represent the last/most recent MDHHS approved allocation for the fiscal year.

The PIHP must certify the accuracy and completeness of the SUD Budget Report and identify a contact person, title, phone number and email for questions regarding the submission.

**Report Specific Terminology and Navigation**

The terms used within this document shall be construed and interpreted as defined below:

Medicaid Contract: The Medicaid Managed Specialty Supports and Services Concurrent 1915(b)/(c) Waiver Program Contract with selected PIHPs to manage the Concurrent 1915(b)/(c) and the Healthy Michigan Plan Programs in a designated service area and to provide a comprehensive array of specialty mental health and substance abuse services and supports.

Substance Use Disorder (SUD): A combination of the federal grant received by the State from the Substance Abuse and Mental Health Services Administration (SAMHSA) and the general fund dollars appropriated by the legislature for the prevention and treatment of SUD. Also known as Community Grant funds.

PIHP: A CMHSP or Regional Authority that holds the Medicaid Managed Specialty Supports and Services Concurrent 1915(b)/(c) Waiver Program Contract with MDHHS and acts as the Prepaid Inpatient Health Plan.

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### Report Specific Terminology and Navigation - continued

CMHSP: Community Mental Health Services Program that holds the GF Contract with MDHHS.

Regional Authority: An entity, jointly governed by the sponsoring CMHSPs, that has met the MDHHS requirements for selection to be certified to the Center for Medicare and Medicaid Services as a PIHP.

Redirected Funds: Funds (e.g. PA2, GF) being used to fund all or a portion of the net SUD budget deficit.

The SUD Budget Report includes cell shading to assist the end user with completion of the form, as follows:

- Report headers are shaded in light green.
- Cells requiring data entry are shaded in yellow.
- Cells that are formula driven and cannot have data entered are shaded peach or light turquoise. Light turquoise indicates sub-totals or totals.
- Select cells have conditional formatting applied so that if an erroneous entry is made the cell will turn orange.

Worksheet protection has been enabled.

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

Do not input formulas. Only input whole numbers.

The term "Submission Type" on the worksheet refers to the reporting period, i.e. Initial Budget, Projection, Final Budget. "Projection" should be used when submitting proposed budgets for re-allocations.

The following numbering / sequencing has been used.

- |       |  |
|-------|--|
| A 1-6 | Detail rows for reporting State Agreement revenue, expenditures and balances. May include sub-totals.  |
| B 1-5 | Detail rows for reporting Medicaid revenue, expenditures and balances. May include sub-totals.   |
| C 1-2 | Detail rows for reporting MI Health Link (Medicare) revenue, expenditures and balances. May include sub-totals.  |
| D 1-5 | Detail rows for reporting Local & Other revenue, expenditures, and balances. May include sub-totals.   |
| E     | Grand Total row of revenue, expenditures and balances.   |
| F     | Local Match Computation section identifies the total funds subject to match and the match percentage. This section will indicate whether the PIHP satisfied the match requirement. |
| G     | Remarks provide additional information to clarify entries or provide the <u>required</u> detail for rows A.1.e and A.5.  |

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### **Completing the Substance Use Disorder Budget Report**

This report is only used by the PIHP. This report replaced the Revenue Expenditure Report (RER) used in FY16 and prior years.

#### **Row A – State Agreement**

The rows immediately following will represent the budgeted revenues and expenditures related to SUD services.

#### **Row A-1 – Community Grant**

Community grant funds are a combination of the federal grant received by the State from the Substance Abuse and Mental Health Services Administration (SAMHSA) and the general funds dollars appropriated by the legislature for the prevention and treatment of SUD and include General Administration, Access Management System (AMS), Treatment, and Women's Specialty Services (WSS). The rows immediately following will represent the budgeted revenues available by fund source and the current year expenditures by category.

#### **Row A-1.a – General Administration**

Administration includes the seven administrative functions listed and defined in the document entitled, "Establishing Administrative Costs Within and Across the PIHP" located on the Reporting Requirements page in the Administrative Cost Reporting section. General Administration does not include AMS. (See below.)

The Administrative Rules for the Substance Use Disorders Service Program prohibit PIHPs from providing services. Any activity or function that is carried out within the PIHP or that is allocated to the PIHP is considered an administrative activity or function, and expenditures must be reported as such. For example, all PIHP personnel expenditures for employees and contractors are administrative expenditures, including expenditures for Prevention Coordinators, Treatment Coordinators, and others.

If a PIHP purchases administrative functions from a vendor or sub-recipient, these contractual expenditures must be reported as PIHP administration. This would include audit services, data reporting functions, building maintenance, and so forth. Refer to the document entitled, "Establishing Administrative Costs Within and Across the PIHP". The administrative costs of service providers, whether vendors or sub-recipients, are not counted as PIHP administrative costs.

Enter, in column A, the budgeted revenue amount for General Administration.  
Enter, in column B, the cost of providing General Administration, as described above.

#### **Row A-1.b – Access Management System (AMS)**

AMS functions are as described in Treatment Policy #07 – Access Management System, which may be found in the SUD Services Policy Manual. All AMS functions are administrative. AMS can be considered a subcategory of Administration.

All AMS budgeted revenue and expenditures must be reported whether the functions are carried out within the PIHP, by another entity, by a contractor, or by a combination of these.

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If a PIHP purchases AMS functions through a contractor, and if the contractor also provides direct services under the contract, expenditures associated with AMS functions are to be reported.

Enter, in column A, the budgeted revenue amount for AMS.  
Enter, in column C, the cost of providing AMS, as described above.

### **Row A-1.c – Treatment**

Treatment includes Outpatient treatment, Case Management, Early Intervention, Recovery Support, Medication Assisted Treatment, and Residential services.

Enter, in column A, the budgeted revenue amount for Treatment.  
Enter, in column D, the cost of providing Treatment, as described above.

### **Row A-1.d – Women’s Specialty Services (WSS)**

The WSS funds include Flint and Saginaw Odyssey House funding and are incorporated in the Community Grant allocation. For the purpose of assuring statewide compliance with the SAPT Block Grant minimum expenditure requirement for WSS, each PIHP has a minimum expenditure target.

The expenditure target can be reached through a combination of SAPT Block Grant and State funds (Community Grant, State Disability Assistance and Medicaid State share) for specialty treatment services for eligible individuals. Eligible individuals are pregnant women, primary caregivers with dependent children and primary caregivers attempting to regain custody of their children. Use of Federal and State funds must be consistent with applicable SUD Agreement requirements.

MDHHS extends the five federal requirements to primary caregivers attempting to regain custody of their children or at risk of losing custody of their children due to a substance use disorder. These individuals are a priority service population in Michigan.

Attainment of the expenditure target and program/services objectives is a contract performance requirement. The target can be amended by mutual agreement. MDHHS will not approve budget revisions or amendments that appear to create risk of failing to meet the WSS Maintenance of Effort (MOE).

Enter, in column A, the budgeted revenue amount for WSS.  
Enter, in column B, the general administration cost associated to WSS.  
Enter, in column E, the cost of providing WSS, as described above.

NOTE: Only State Agreement budgeted revenue and expenditures should be reported on this line. Medicaid WSS budgeted revenue and expenditures will be reported on line B.1 – Medicaid.

The PIHP must report, in Section G – Remarks, a breakdown between administration and services for each grant within WSS (i.e. Odyssey House funding, special grants, etc.).

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### **Row A-1.e - Other (DHHS Approval Required)**

Do not use unless directed to do so by MDHHS.

### **Row A-1.f - Subtotal – Community Grant**

This row represents the total of Community Grant budgeted revenue and total expenditures by category. The cells are formula driven. The formula is the *sum of General Administration (A.1.a), Access Management System (A.1.b), Treatment (A.1.c), and Women's Specialty Services (A.1.d), and Other (A.1.e).*

### **Row A-2 – Prevention**

The Prevention allocation is 100% Federal SAPT Block Grant. There are no separate allocations for Tobacco Vendor Education or Non-Synar Tobacco Retailers Inspections. PIHPs are expected to use their Prevention allocations to meet tobacco-related performance objectives and to accomplish other Prevention plans developed through the Annual Plan Guidelines. Prevention funds may be used for needs assessment and related activities. All prevention services must be based on a formal local needs assessment.

The Department's intent is to move toward a community-based, consequence-driven model of prevention. Prevention activities must be targeted to high-risk groups and must be directed to those at greatest risk of substance use disorders and/or most in need of services within these high-risk groups. PIHPs are not required to implement prevention programming for all high-risk groups. The PIHP may also provide targeted prevention services to the general population.

Enter, in column A, the budgeted revenue amount for Prevention.

Enter, in column B, the Prevention administration cost.

Enter, in column F, the service costs for Prevention.

### **Row A-3 – State Disability Assistance (SDA)**

MDHHS continues to allocate SDA funding and to delegate management of this funding to the PIHP. The PIHP is responsible for allocating these funds to qualified providers. SDA funds shall not be used to pay for room and board in conjunction with sub-acute detoxification services.

Enter, in column A, the budgeted revenue amount for SDA.

Enter, in columns D-E, the cost related to SDA, as applicable.

### **Row A-4 – Partnership for Success 2015-2020**

Partnership for Success 2015-2020 is an additional grant not awarded to all PIHPs. PIHPs receiving PFS2015-2020 funding are responsible for program budget summary/reporting and justification.

Enter, in column A, the budgeted revenue amount for PFS2015-2020.

Enter, in column B, the administration costs associated to the PFS 2015-2020.

Enter, in column G, the service cost related to PFS2015-2020, as applicable.

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### Row A-5 – State Targeted Response (STR)

Special earmarked funds will be identified in the initial fiscal year allocation letter and subsequent amendments. These special earmarked funds must be budgeted separately and identified in Row G - Remarks, of the SUD Budget Report.

Enter, in column H, the budgeted revenue amount for STR funds received; include a breakout of the amounts related to services and administration, in Section G, by project.

### Row A-6 - Subtotal – State Agreement

This row represents the total of the State Agreement budgeted revenue and total expenditures by category. The cells are formula driven. The formula is the *sum of* Subtotal – Community Grant (A.1.f), Prevention (A.2), State Disability Assistance (A.3), Partnership For Success 2015-2020 (A.4), and Other (A.5).

### Row B – Medicaid

The rows immediately following will represent the Medicaid revenues and expenditures related to SUD services.

NOTE: On the SUD Budget Form, the PIHP should report under each “funding” source only those expenditures funded with the funding available by that source. Example: If the PIHP has received \$100 in current year Medicaid revenue; but has spent \$120 in Medicaid services which they supplement with PA2, the PIHP would report \$100 on line the Medicaid line (B.1) and include the additional \$20 on the line for PA2 (D.1).

### Row B-1 - Medicaid

Under approval granted by the Centers for Medicare and Medicaid Services (CMS), MDHHS operates a Section 1915(b) Medicaid Managed Specialty Services and Support Program Waiver. Under this waiver, selected Medicaid state plan specialty services related to mental health and developmental disability services, as well as certain covered substance abuse services, have been “carved out” (removed) from Medicaid primary physical health care plans and arrangements. The 1915(b) Specialty Services Waiver Program operates in conjunction with Michigan's existing 1915(c) Habilitation Supports Waiver for persons with developmental disabilities.

Enter, in column A, the budgeted revenue amount for Medicaid services (current year revenue).

Enter, in columns B through I, the cost of providing Medicaid services funded with current year revenue, as applicable.

NOTE: The PIHP must report both the Medicaid Federal and State share for WSS—not just the Medicaid state share. The calculation to identify MOE / expenditure targets will be based on the reports submitted by the PIHP. MDHHS staff will perform the calculation using the appropriate Federal Medical Assistance Percentage (FMAP). The PIHP no longer has to report the Medicaid Federal and State share separately.

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**Row B-2 - Healthy MI Plan (HMP)**

Healthy Michigan provides health care benefits to individuals who are: aged 19-64 years; have income at or below 133% of the federal poverty level under the Modified Adjusted Gross Income methodology; do not qualify or are not enrolled in Medicare or Medicaid; are not pregnant at the time of application; and are residents of the State of Michigan. Individuals meeting Healthy Michigan Plan eligibility requirements may also be eligible for mental health and substance abuse services. The Michigan Medicaid Provider Manual contains complete definitions of the available services as well as eligibility criteria and provider qualifications.

Enter, in column A, the budgeted revenue amount for Healthy Michigan Plan.  
Enter, in columns B through I, the cost of providing Healthy Michigan services funded with current year revenue, as applicable.

**Row B-3 - Medicaid – Savings / Internal Service Fund (ISF)**

Enter, in column A, the amount of Medicaid Savings and / or ISF utilized to fund Medicaid SUD expenditures.  
Enter, in column B through I, the cost of expenditures funded with Medicaid Savings and / or ISF for each category, as applicable.

NOTE: All programs exposed to the risk corridor shall be charged their proper share of the Medicaid ISF charges to the extent that those programs are covered for the risk of financial loss. Such charges must be allocated to the various programs/cost categories based on the relative proportion of the total contractual obligation, actual historical cost experience, or reasonable historical cost assumptions. If actual historical cost experiences or reasonable historical cost assumptions are used, they must cover, at a minimum, the most recent two years in which the books are closed. ISF usage must meet the criteria established in the ISF Technical Requirement of the Medicaid Contract.

**Row B-4 – Healthy MI Plan (HMP) – Savings / Internal Service Fund (ISF)**

Enter, in column A, the amount of HMP Savings and / or ISF utilized to fund HMP SUD expenditures.  
Enter, in column B through I, the cost of expenditures funded with HMP Savings and / or ISF for each category, as applicable.

NOTE: All programs exposed to the risk corridor shall be charged their proper share of the HMP ISF charges to the extent that those programs are covered for the risk of financial loss. Such charges must be allocated to the various programs/cost categories based on the relative proportion of the total contractual obligation, actual historical cost experience, or reasonable historical cost assumptions. If actual historical cost experiences or reasonable historical cost assumptions are used, they must cover, at a minimum, the most recent two years in which the books are closed. ISF usage must meet the criteria established in the ISF Technical Requirement of the Medicaid Contract.

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**Row B-5 - Subtotal – Medicaid**

This row represents the total of the Medicaid revenue and expenditures by category. The cells are formula driven. The formula is the *sum of Medicaid (B.1), Healthy Michigan Plan (B.2), Medicaid – Savings / ISF (B.3), and Healthy Michigan Plan – Savings / ISF (B.4).*

**Row C – MI Health Link (Medicare)**

**Row C-1 – MI Health Link (Medicare)**

This row represents the total of MI Health Link revenue and expenditures by category. Eligible Michigan adults, ages 21 or over, are enrolled in both Medicaid and Medicare and live in the counties of Barry, Berrien, Branch, Calhoun, Cass, Kalamazoo, Mecosta, St. Joseph, Van Buren, Wayne or any county in the Upper Peninsula.

**Row C-2 – Subtotal (Medicare)**

**Row D – Redirected Funds**

The rows immediately following will represent the other revenues and expenditures related to Substance Use Disorder services.

**Row D-1 – Redirected Funds Balance**

Each PIHP is expected to maintain a balanced budget. However, it is acknowledged that funding and expenditures, by category, may not always be equal. The “Redirected Funds” section will be the mechanism by which the PIHP will identify how any funding surplus or deficit was resolved. The “redirects” will identify how deficits were covered by other funding sources. In either case, the funding source must be a legitimate source of funding for the program that the funding is being redirected to cover.

**Row D-2 – Fees & Collections**

The PIHP must make reasonable efforts to collect 1st and 3rd party fees where applicable, and report these as outlined by the Contract.

Enter, in column A, the actual fees and collections utilized to fund SUD services.  
Enter, in column B through I, the expenditures funded with fees and collections by category, as applicable.

**Row D-3 – Other Contracts & Sources**

This row is used to report revenues and expenditures associated to any other Contracts or Sources of revenue that has not been previously listed.

Enter, in column A, the Other SUD service contract revenue.  
Enter, in column B through I, the related expenditures by category, as applicable.

**Row D-4 – Other Local**

Enter, in column A, any Other Local SUD service revenue.  
Enter, in column B through I, the related expenditures by category, as applicable.



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### Row D-5 - Subtotal – Redirected Funds

This row represents the total of the Redirected Funds revenue and expenditures by category. The cells are formula driven. The formula is the *sum of Redirected Funds Balance (D.1), Fees & Collections (D.2), Other Contracts & Sources (D.3), and Other Local (D.4)*.

### Row E - Grand Total

This row represents the total State Agreement, Medicaid, MI Health Link (Medicare) and Redirected Funds revenue and expenditures by category for SUD services. The cells are formula driven. The formula is the *sum of Subtotal – State Agreement (A.6), Subtotal – Medicaid (B.5), Subtotal - Medicare (C.2) and Subtotal – Redirected Funds (D.5)*.

### Row F - Local Match Computation

MDHHS uses this report data to monitor the Local Match obligation.

The Local Match Computation row is totally formula driven. It calculates:

- The total amount of SUD funds expended on SUD services that are subject to the Local Match Computation (Column A – Funds Subject to Match). The formula is the *sum columns B through I within Section F*.
- The amount of SUD funds expended, by category, on SUD services that are subject to the Local Match Computation (Columns B through I). The formula, for columns B through I) is the *sum of Subtotal – State Agreement (A.6), Redirected Funds Balance (D1), Fees & Collections (D.2), and Other Local (D.4)*.
- The total amount of funds used to meet the Local Match requirement (Column: Total Match Funds). The formula for the Total Match Funds (Column J) is the *sum of Redirected Funds Balance (D1), Fees & Collections (D2), and Other Local (D4)*.
- The overall percentage of Local Match (Column: Match Percentage). The formula for the Match Percentage column is *Total Match Funds divided by Funds Subject to Match*.

### Row G– Remarks

This section has been provided for the PIHP to specify special project funds and to provide additional detail as necessary. Remarks may be added about any entry or activity on the report for which additional information may be useful.

Additionally, as indicated in the above instructions, MDHHS requires detailed reporting of the items listed below. The Remarks section has been formatted for ease in reporting this information. You may adjust the lines in Remarks, as necessary, to provide relevant details.

- WSS – Row A.1.d - a breakdown between administration and services for each of the grants within WSS (i.e. Odyssey House funding).
- State Targeted Response – Row A.5 – The budgeted revenue and expenditures for Community Grant Special Projects with MDHHS-identified budgets (Innovative Strategies, Sacred Heart), including a breakout between the amounts related to services and administration.