

Conditions met = X	<p>VIII. FINANCIAL MANAGEMENT AND ACCOUNTABILITY</p> <p>For more information or explanation of this item, go to the Local Business Plan on the web. Once you have the web document open, click on the bookmark tab on the left. You will see the document's table of contents. Clicking anywhere in the table of contents will take you directly to that part of the document.</p>	Score given by Division
<p>X</p> <p>X</p>	<p>The LME must function efficiently and effectively, do cost sharing and manage system resources. The LME must complete financial stability checklist requirements, standardized reports and other reports and data submissions as required by legislative, federal and state mandates. The state may impose sanctions for failure to comply with reporting requirements that may include fines per day for lateness of reports, incomplete or failure to report in approved media or format. The penalties will be prescriptive, impacting senior management and avoiding any direct or indirect impact on service provision. Any data, information or reports collected or prepared by the LME and its network of qualified providers in the course of performing their duties and obligations for the state will be owned by the State of North Carolina.</p> <p>1. The local business plan includes a financial management plan that assures proper internal controls throughout the operation in accord with state, federal and professional requirements. (non-weighted)</p> <p>a) The financial management plan addresses the following internal control elements:</p> <ul style="list-style-type: none"> ▪ A plan of organization that provides separation of duties and responsibilities among employees. ▪ A provision that limits access to resources to authorized personnel whose use is required within the scope of their assigned duties. ▪ A system of authorization and record keeping procedures to control assets, liabilities, revenues and expenditures. ▪ A system of practices to be followed in the performance of duties and functions. ▪ Recruitment and retention of qualified personnel who maintain a level of competence. ▪ Requirement of an annual independent audit of financial records. ▪ Assessment mechanisms to determine that internal control techniques are effective and efficient. <p>FINANCIAL MANAGEMENT PLAN</p> <p>The Local Management Entity will operate under a sound financial plan that is consistent with both the Local Government Budget and Fiscal Control Act (NCGS 159) and with generally accepted accounting principles. The Financial Management Plan will incorporate fundamental principles of internal control, the use of a comprehensive financial information management software system (included in the CMHC-MIS), and expertise in reporting and fiscal management to ensure the effective and appropriate use of all financial resources.</p> <p>Effective financial management begins with sound internal controls. To the fullest extent possible, business office staff will be organized and assigned work responsibilities to ensure that there is appropriate separation of duties. Each staff member will have a clearly written job description that is supported by published operating procedures. Job descriptions and operating procedures will be cross-referenced.</p> <p>The Local Management Entity will adhere to sound business practice around the management of cash and investments. Processes are in place that provide necessary assurances that all transactions are properly recorded and accounted for, that all transactions are executed in compliance with laws and regulations, and that all assets</p>	

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X	<p>are safeguarded against loss and any unauthorized use.</p> <p>The Local Management Entity will control expenditures through a system of budgets and authorizations for all purchases of goods or services. Each programmatic unit will operate under an annual operating budget with revenues and expenditures. The actual revenues and expenditures will be reviewed at least monthly for comparison to the annual budget, and budget transfers within programs (Finance Office approval) or budget revisions (requiring Board approval) will be made as required. Specific spending authority limits will also be applied: Program Administrators subordinate to the Executive Director will have limits on the amount of funds they may authorize as expenditures, subject to the concurrence of the Finance Officer.</p> <p>The Local Management Entity will have trained staff whose responsibilities will include agency purchasing and the management of the fixed assets database. All real or personal property acquisitions over \$1,000 will be cataloged for inventory control; those over \$5,000 will be managed as fixed assets. Staff will conduct an inventory of fixed assets at least annually to verify the location and condition of each item. The Local Management Entity will comply with all local government purchasing and disposition rules under NC Statute, as well as any more specific rules governing the terms of any purchase or disposition made using State or Federal funds.</p> <p>The Business Office operations manual will specify the duties and functions of all business office personnel. In addition to the operations manual, each authorized position within the LME Business Office will have a job description that sets out the minimum qualifications for employment, the position requirements, the policies and regulations that govern the conduct of the work, as well as ADA and other public employment requirements.</p> <p>Each employee in the Local Management Entity will receive an annual performance evaluation from the immediate supervisor that will document the performance of each employee against standards. The supervisor will also be responsible for ongoing management in both a formal and informal manner.</p> <p>In accordance with the Local Government Budget and Fiscal Control Act, the Local Management Entity will engage a qualified accounting firm to conduct a single, independent Audit of the LME's financial records. The auditors will report their findings to the LME Board in a public meeting; copies of the audit will be submitted to the NC Local Government Commission, designated grantees, and will be available to the Public. This audit will include an examination of internal controls, information systems and policies, and other relevant management activities. The auditors will be responsible for preparing and presenting an annual Management Letter to the LME Board. This letter is the auditor's report of findings and recommendations on the effectiveness and efficiency of the LME's operations. In conjunction with the Single Independent Audit, the auditor's will also comply with Division of Mental Health or Division of Medical Assistance requirements for compliance (ref: Performance Agreement or other pertinent programmatic Audit requirements).</p> <p>b) The financial management plan demonstrates that financial data are integrated with the information system in a way that reconciles the</p>	

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X	<p>determination of care costs by unit, service type, episode, population, provider, and administrative cost distribution within 45 days of closing a reporting period.</p> <p>The Local Management Entity plans to use the CMHC-MIS software package and applications in Microsoft Word, Excel, and Access Software Programs for its financial and asset management functions. CMHC-MIS is the core business system, and integrates the clinical, financial, and managed care modules and data. These systems and applications enable LME Staff to access all data necessary for determining the cost of care by service, client, provider, population, or fiscal year period. The LME will prepare a Cost Finding report in accordance with all Division of Mental Health and DMA requirements.</p> <p>c) The financial management plan includes reporting mechanisms that provide for early identification of potential problem areas and systems in place to assure timely analysis and follow-up action called for by the information.</p> <ul style="list-style-type: none"> ▪ Three examples are provided of reports utilized by the LME's earlier configuration of counties/area programs during the fiscal year ending June 2003 that reflect practices (type of reports) that will be utilized throughout the service area effective January 1, 2004. ▪ A policy is evident requiring financial statements to be generated and published at a state-required frequency during the fiscal year and distributed to the board of directors and administrative management staff. <p>The Local Management Entity relies on its information systems capabilities in order to manage effectively its provision of services and operations. Data from both the integrated clinical system and the financial software and reporting applications are key in the early identification of patterns and problem areas and in the management and resolution of those issues. Sample reports from the CMHC-MIS and applications are included to demonstrate the reporting capabilities of the LME and the utilization of financial data to monitor and manage clinical services.</p> <ul style="list-style-type: none"> ➤ Blue Ridge Center Third Party Cash and Revenue Projections Report (February 2003) See Attachment F.1.c.1 ➤ Community Collaborative Report: Value of CTSP Services by Category and County and by Provider (February 2003) See Attachment F.1.c.2 ➤ Blue Ridge Center Report on Late Entry of Service Events (October 2002) See Attachment F.1.c.3. <p>Future LME operations will require the modification or creation of additional reports to capture financial data along the lines of Target Population Groups, Benefit Plans and Service Arrays, and analysis of State and Local Policy Decisions. The LME will make full use of the reporting capabilities in the IPRS system, and will develop additional tools around the evaluation of costs and clinical outcomes. The LME will also continue to operate under a policy requiring that monthly financial statements be prepared and presented to the Board and management. Minutes of Board meetings will document the distribution of these statements, subsequent discussions, and any actions taken.</p>	

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X	<p>d. Mechanisms are in place that assure timely receipt of invoices from and payments to network providers.</p> <p>One of the primary responsibilities of the Local Management Entity is to support the development and maintenance of a viable Provider Network. The timeliness of claims processing and payment to providers for services provided to the LME is tantamount to ensuring provider vitality. The LME has built and will continue to support a robust Provider Claims Processing and Payment System that receives provider claims, adjudicates and pays those claims within the allowable period of time, and notifies the provider of denials and additional information required. The LME's current core business application and staff have the capability and proven track record to handle this process efficiently and effectively. The CMHC-MIS Managed Care Operations (MCO) Module is the foundation for managing provider claims and payments. Sufficient and well-trained Contract Management, Claims Processing and Accounting Staff will be in place to see that the LME complies with the current Prompt Pay Standard, with future requirements, and maintains efficient operation around Provider relations and support. As the Provider Network expands with divestiture of services, the capacity of the MCO Unit will be increased to support the demand.</p>	
X	<p>e. Expenditures are recorded in a way that enables identification of administrative costs as distinct from other costs, including the costs to administer direct service operations.</p> <p>The accounting system used by the LME permits separation of administrative costs from service costs. Within the accounting system, costs can be tracked by general ledger accounts and by reporting unit or cost center. Expenses can also be tracked across general ledger accounts and reporting units or cost centers by creating and linking projects to appropriate expenses.</p>	
X	<p>f. A policy is in place that assures that the LME will share budget information on service and support dollars for eligible children with the community collaborative.</p> <p>The Local Management Entity will have a policy in place that assures that budgetary information on service and support dollars is shared with the Community Collaborative. This is a practice currently maintained by the Blue Ridge Area Program. An example of a report is included in VIII.1.c. above.</p>	
X	<p>g. A policy/procedure for processing claims, including denied or disputed claims, in a timely manner.</p> <p>The Local Management Entity will have both policy and procedures in place to process provider claims in a timely manner, and to allow for reconsideration of denied or disputed claims. Area Programs have included language specifying the Claims Receipt and Adjudication Requirements in their Contracts for Services for many years. The Prompt Pay Requirements, promulgated by the Division of Mental Health, also stipulate the timeframes within which the AP/LME will receive, acknowledge, and pay provider claims. The LME intends to be in full compliance with Prompt Pay Requirements and with the sound operational practice of timely and effective communications and payment to Providers.</p>	

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	See page 24 of State Plan 2002 – Local Business Plan (hard copy).	
<p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p>	<p>2. The local business plan ensures that the LME and qualified providers in the local network understand and comply with applicable federal and state fiscal requirements. (non-weighted)</p> <p>a. There is documentation of a capable reporting system linked to qualified providers.</p> <p>As the backbone of the healthy, viable provider network supported by the LME, the Information Systems in place will enable providers to transmit service and client information to the LME in HIPAA-compliant, secure, and efficient means. The LME will continue its development of Electronic Medical Record products with an eye towards outsourcing these in providers' hands to ensure the most effective and efficient exchange of information possible.</p> <p>b. A policy is provided indicating that the LME is able and willing to comply with federal and state fiscal requirements.</p> <p>The LME will have a policy in place that assures compliance with all Federal and State statutes, rules, regulations and policies of the Medicaid Program, and the conditions set out in any Provider Participation Agreement entered into by and between the Provider and the Division of MHDDSA Services. The LME Policy will reference those procedures within the organization's operations that fulfill the federal and state fiscal requirements.</p> <p>c. There is a policy to indicate that all contracts/provider network agreements will include compliance with federal and state fiscal requirements.</p> <p>The LME will have a policy that ensures that all contracts and provider network agreements include a statement of compliance with federal and state fiscal requirements. This has been a part of Area Program Contracting practice for several years.</p> <p>d. A policy is attached that indicates that all contracts/provider network agreements require each provider to identify and actively pursue all first and third party revenues.</p> <p>LME contracts and provider network agreements will include provisions requiring providers to pursue collection of applicable funds from all primary payers before seeking payment of Division of Mental Health or Medicaid funds. The terms of negotiated contracts and service reimbursement rates will reference the requirements and LME expectations for provider collections of first and third party revenues.</p> <p>e. A policy is evident that requires LME management to use all other</p>	

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	<p>available funding to supplant mental health funds when appropriate.</p> <p>The LME has the responsibility and obligation to the residents and consumers of its catchment area to secure all available resources for the provision of mental health, substance abuse, and developmental disability services and for the improvement of the service delivery system in the Region. To fulfill this obligation, the LME will make every effort to maximize the earning of State funding, including Division of Mental Health and Division of Medical Assistance (Medicaid) funds. The LME will also work to secure other funds that are consistent with this responsibility in order to supplement anticipated limitations in State funding.</p> <p>See page 24 of State Plan 2002 – Local Business Plan (hard copy).</p>	
<p>X</p> <p>X</p> <p>X</p> <p>X</p>	<p>3. The local business plan provides for an adequate audit trail. (non-weighted)</p> <p>a. A policy is attached requiring an audit for all LME's that are separate and distinct from any other entity.</p> <p>In accordance with the Local Government Budget and Fiscal Control Act, the Local Management Entity will engage a qualified accounting firm to conduct a single, independent Audit of the LME's financial records. The auditors will report their findings to the LME Board in a public meeting; copies of the audit will be submitted to the NC Local Government Commission, designated grantees, and will be available to the Public. This audit will include an examination of internal controls, information systems and policies, and other relevant management activities. The auditors will be responsible for preparing and presenting an annual Management Letter to the LME Board. This letter is the auditor's report of findings and recommendations on the effectiveness and efficiency of the LME's operations. In conjunction with the Single Independent Audit, the auditor's will also comply with Division of Mental Health or Division of Medical Assistance requirements for compliance (ref: Performance Agreement or other pertinent programmatic Audit requirements).</p> <p>b. There is a calculation of working capital (current assets less current liabilities) and net worth (total assets less total liabilities) as of June 30, 2004 and annually on June 30 thereafter.</p> <p>As part of its annual report to the LME Board, the auditors will present the calculation of the LME's working capital and new worth as of the Fiscal Year End (June 30) each year.</p> <p>c. There is a policy to indicate that all contracts/provider network agreements will include audit compliance with state requirements.</p> <p>The LME will have a policy that ensures that all contracts and provider network agreements are in compliance with state requirements. This has been a requirement in Area Program contracts for several years. Providers either submit a copy of the independent audit to the Area Program in the case of financial assistance contracts, or make them available for review by the Area Program. The LME will maintain this business practice.</p>	

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	See page 25 of State Plan 2002 – Local Business Plan (hard copy).	
<p>X</p> <p>X</p> <p>X</p>	<p>4. The local business plan provides for an accounting of all real assets of the LME. (non-weighted)</p> <p>a. A policy is evident that safeguards the value or retains the use of all real property acquired through the use of public funds to serve and support members of the target population.</p> <ul style="list-style-type: none"> ▪ A list of all real property transactions in the previous thirty-six (36) months is attached. ▪ The list notes the amount of sale or recurring income from each transaction. <p>The LME will have a policy on safeguarding the value and maintaining the use of all real property acquired through the use of public funds. The listing of all real property transactions in the thirty-six month period by the three Area Programs is attached to the Local Business Plan Fiscal Management Section as Attachment F.4.a.2: Accounting of Real Assets.</p> <p>b. A list is attached that describes each project that the current area authority or county program has in progress (or a project proposed for the ensuing year) for the alteration, improvement and rehabilitation of real property, which is in whole or in part funded using local funds. For each project indicate if the real property is owned or leased and the name of the entity that owns or leases the property.</p> <p>The listing of all projects that will alter, improve, or rehabilitate real property that are currently underway by the area programs and which use local funds in part or in whole, is attached to the Local Business Plan Fiscal Management Section as Attachment F.4.a.2: Accounting of Real Assets.</p> <p>See page 25 of State Plan 2002 – Local Business Plan (hard copy).</p>	

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<p>Enter List of Attachments:</p> <p>Attachment F.1.c.1: Blue Ridge Center Third Party Cash and Revenue Projections Report (February 2003)</p> <p>Attachment F.1.c.2: Community Collaborative Report: Value of CTSP Services by Category and County and by Provider (February 2003)</p> <p>Attachment F.1.c.3.: Blue Ridge Center Report on Late Entry of Service Events (October 2002)</p> <p>Attachment F.1.c.4: Financial Statements</p> <p>Attachment F.1.f.1: Community Collaboratives</p> <p>Attachment F.1.g.1: Provider Claims Processing</p> <p>Attachment F.2.b.1: Compliance With State and Federal Requirements</p> <p>Attachment F.2.c.1: Contractors Compliance with State and Federal Fiscal Requirements</p> <p>Attachment F.2.e.1: Funds Maximization</p> <p>Attachment F.3.a.1: Independent Single Audit</p> <p>Attachment F.4.a.1: Real Property Asset Management</p> <p>Attachment F.4.a.2: Accounting of Real Assets</p>		
<p>VIII. Financial management and accountability—Total Score given by the Division</p>		

Attachment F.1.c.1

Blue Ridge Center							
Reported Value of CTSP Services Totaled by Category and County							
Service Dates include July 1, 2002 - January 31, 2003							
Budget \$1,604,811							
Sum of	Sum Of CTSP rate	County					
Service Category	Buncombe	Madison	Mitchell	Swain	Yancey	Grand Total	% of Total
ACTT	24,826.50					24,826.50	2.74%
Case Mgmt.	208,257.46	16,330.07	8,332.51	24.37	9,221.86	242,166.27	26.71%
CBI/HRI/CBS	143,377.93	14,134.82	6,159.09			163,671.85	18.05%
Day Treatment	16,960.89				2,886.96	19,847.85	2.19%
Level II	737.22		109.83			847.05	0.09%
Level III and IV	58,254.72	2,103.60	46.00	13,252.68	6,100.44	79,757.44	8.80%
Respite	58,376.76	1,692.08			1,269.06	61,337.90	6.77%
Room and Board	257,468.90	2,740.74	13,716.46	2,390.85	6,063.96	282,380.91	31.15%
Therapy	21,151.43	7,592.20	2,341.52	162.48	554.24	31,801.86	3.51%
Grand Total	789,411.81	44,593.51	30,705.41	15,830.38	26,096.51	906,637.63	100.00%
% of Earnings Year-to-Date		56%					
Target % Year-to-Date		58%					

Attachment F.1.c.2
BLUE RIDGE CENTER

Third Party Cash and Revenue Projections Report - Summary

Medicare

PROGRAM	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Refunds	YTD
Community Support	6,068	16,125	4,697	417	8,140	5,374	-	40,821
Crisis	4,961	2,080	739	1,042	5,424	2,645	-	16,890
C & F	0	0	0	0	86	0	-	86
Substance Abuse	0	0	0	0	0	0	-	0
DD Services	0	0	0	0	22	460	-	482
Madison County	2,016	511	140	324	812	1,446	-	5,249
M-Y Counties	2,049	626	1,050	186	1,362	879	(132)	6,021
TOTALS	15,094	19,342	6,626	1,969	15,846	10,804	(132)	69,549
Less: Admin Fee 6%	(906)	(1,161)	(398)	(118)	(951)	(648)	8	(4,173)
NET TOTALS	14,189	18,182	6,229	1,851	14,895	10,156	(124)	65,377

Medicaid

PROGRAM	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Refunds	YTD
Community Support	127,283	134,757	131,428	128,412	135,628	44,545	(7,596)	694,457
Crisis	26,093	39,141	32,324	40,436	32,009	23,682	(949)	192,735
C & F	465,962	955,407	563,571	921,974	901,519	537,872	(24,160)	4,322,145
Substance Abuse	17,596	94,079	66,284	81,841	60,646	49,744	(4,387)	365,804
DD Services	240,785	313,766	154,351	264,580	215,835	155,608	(3,983)	1,340,942
Madison County	24,514	50,697	36,867	41,650	44,102	21,662	(458)	219,033
M-Y Counties	138,411	160,949	97,401	126,415	132,446	76,723	(4,350)	727,994
TOTALS	1,040,645	1,748,796	1,082,226	1,605,308	1,522,183	909,835	(45,884)	7,863,110
Less: Admin Fee 6%	(62,449)	(105,451)	(65,196)	(96,550)	(91,579)	(54,811)	2,753	(473,283)

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Substance Abuse	17,596	94,079	66,284	81,841	60,646	49,744		365,804
DD Services	240,785	313,766	154,351	264,580	215,835	155,608		1,340,942
Madison County	24,514	50,697	36,867	41,650	44,102	21,662		219,033
M-Y Counties	138,411	160,949	97,401	126,415	132,446	76,723		727,994
TOTALS	1,040,645	1,748,796	1,082,226	1,605,308	1,522,183	909,835		7,863,110
Less: Admin Fee 6%	(62,449)	(105,451)	(65,196)	(96,550)	(91,579)	(54,811)	2,753	(473,283)
NET	978,196	1,643,345	1,017,030	1,508,757	1,430,604	855,024		7,389,827

Miscellaneous Insurance/Other*

PROGRAM	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Refunds	YTD
Community Support	862	493	435	1,144	644	1,103	-	4,680
Crisis	929	914	213	185	325	1,282	-	3,847
C & F	1,902	1,114	1,520	272	957	1,772	-	7,537
Substance Abuse	15,840	9,800	6,160	8,129	3,080	3,600	-	46,609
DD Services	105	28	108	32	115	116	-	504
Madison County	902	236	444	466	356	750	-	3,154
M-Y Counties	325	486	1,835	239	46	190	(15)	3,106
TOTALS	20,864	13,072	10,715	10,466	5,522	8,813	(15)	69,437
Less: Admin Fee 6%		(784)	(643)		(331)	(529)	1	(4,166)
NET TOTALS	19,612	12,288	10,072	9,838	5,190	8,285	(14)	65,270

*This includes CA - Other Area Programs, Federal Probation and Parole, and Trend.

Combined Third Party Totals

PROGRAM	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Refunds	YTD
Community Support	134,214	151,375	136,559	130,013	144,456	51,022	(7,596)	740,044
Crisis	31,983	42,385	33,376	41,662	37,757	27,659	(949)	213,873
C & F	467,864	975,412	614,625	972,958	951,110	561,742	(24,160)	4,519,552
Substance Abuse	33,435	103,879	72,444	89,970	63,726	53,344	(4,387)	412,412
DD Services	363,174	421,775	236,616	421,035	331,675	275,108	(40,094)	2,009,289
Madison County	36,898	62,390	45,771	62,517	57,471	39,807	(526)	304,328
M-Y Counties	167,013	189,465	122,141	163,904	189,431	104,020	(5,484)	
TOTALS	1,234,581	1,946,681	1,261,532	1,882,059	1,775,627	1,112,703	(83,195)	
Less: Admin Fee 6%	-	-	-	-	-	-	-	
NET TOTALS	1,234,581	1,946,681	1,261,532	1,882,059	1,775,627	1,112,703	(83,195)	

Admin Fees 6%

PROGRAM	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Refunds	YTD
Medicare	906	1,161	398	118	951	648	(8)	4,173
Medicaid	62,449	105,451	65,196	96,550	91,579	54,811	(2,753)	473,283
CAP	9,479	8,669	6,672	12,684	10,927	9,468	(2,230)	55,670
NC Health Choice	0	1,259	3,046	3,175	2,997	1,527	-	12,004
Miscellaneous Ins	1,252	784	643	628	331	529	(1)	4,166
TOTALS	74,085	117,324	75,954	113,155	106,786	66,983	(4,992)	549,295

PROGRAM	FY03 Actual	03-2 Budget	% of Budget	Cash	FY02 Actual	FY02 Budget
				FY03 Project		
Medicare	69,549	125,382	55%	139,099	120,426	129,805
Medicaid	7,752,019	15,177,158	51%	15,504,037	14,774,273	14,561,606
CAP	927,827	1,414,330	66%	1,855,655	1,933,710	1,995,739
NC Health Choice	200,065	77,248	259%	400,130	120,934	85,189
Miscellaneous/Other	69,437	151,337	46%	138,873	173,304	159,367
TOTALS	9,018,897	16,945,455	53%	18,037,795	17,122,647	16,931,706

YTD Billings Actual	Denials & Adj.	Denials %	YTD Billings Net	FY 03 Project
213,413	85,365		128,048	256,095
7,537,170	753,717		6,783,453	13,566,907
792,105	15,842		776,263	1,552,527
168,653	67,461		101,192	202,383
138,321	96,825		41,496	82,993
8,849,662	1,019,210		7,830,452	15,660,904

Blue Ridge Center
Percentage of Total Events entered late by Super RU for October 2002

Case Mgmt.	SuperRU	TotalEvents	LateEvents	Percentage Late
	100	3204	27	0.84%
	200	674	10	1.48%
	400	4697	43	0.92%
	500	703	103	14.65%
	600	2304	193	8.38%
	700	684	75	10.96%
	800	1746	132	7.56%
	Total	14012	583	4.16%

UMUR	SuperRU	TotalEvents	LateEvents	Percentage Late
	100	734	4	0.54%
	200	1444	40	2.77%
	400	1722	65	3.77%
	500	278	11	3.96%
	600	20	8	40.00%
	700	369	101	27.37%
	800	583	52	8.92%
	Tota	5150	281	5.46%

DRAFT

PROPOSED CONSOLIDATED EIGHT COUNTY LOCAL MANAGEMENT ENTITY POLICIES & PROCEDURES	Policy _____ Page ____ of ____
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FINANCIAL STATEMENTS

Approved: _____ Revised: _____
 Effective Date:
 Reference:

The LME requires that financial statements be prepared and published in accordance with the state-required frequency during the fiscal year. These statements will be published under the direction of the Finance Officer and will be distributed to the Board of Directors and administrative management staff. Minutes of Board meetings will document the distribution of these statements, subsequent discussions, and any actions taken.

DRAFT

PROPOSED CONSOLIDATED EIGHT COUNTY LOCAL MANAGEMENT ENTITY	Policy_____
POLICIES & PROCEDURES	Page___of___

COMMUNITY COLLABORATIVES

Approved:_____ Revised:_____

Effective Date:

Reference:

The Division of MH/DD/SAS Children's' Treatment and Support Program (CTSP) System of Care established Community Collaboratives as an advisory body to Area Programs with regards to the delivery of services and expenditure of funds for the Children's Treatment and Services Program (CTSP). The LME will share appropriate budget information on service and support dollars for eligible children with the Community Collaborative to enable its advisory role to the LME to continue.

DRAFT

PROPOSED CONSOLIDATED EIGHT COUNTY LOCAL MANAGEMENT ENTITY POLICIES & PROCEDURES	Policy _____ Page ____ of ____
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PROVIDER CLAIMS PROCESSING

Approved: _____ Revised: _____
 Effective Date:
 Reference:

The Local Management Entity will process provider claims in a timely manner, and will allow for reconsideration of denied or disputed claims. The specific timeframes identifying the Provider responsibility for submission of timely and accurate claims and the LME's obligations to process and adjudicate claims will be identified in the annual Agreement for Services executed between the LME and each Provider Entity. The LME will also issue a Provider Manual and provide claims and service documentation training to providers.

The LME will ensure that the claims submission, processing, and reconsideration requirements are consistent with the Division of Mental Health Performance Agreement Standards, the Prompt Pay Provisions, and/or with other appropriate regulation or system requirement.

The LME will also have a process in place that allows Providers to appeal decisions made on Claims Processing.

DRAFT

PROPOSED CONSOLIDATED EIGHT COUNTY LOCAL MANAGEMENT ENTITY	Policy_____
POLICIES & PROCEDURES	Page___of___

COMPLIANCE WITH STATE AND FEDERAL REQUIREMENTS

Approved:_____ Revised:_____

Effective Date:

Reference:

The LME will operate in compliance with all Federal and State statutes, rules, regulations and policies that govern the Medicaid Program and the conduct of Local Management Entities, including all the conditions set out in the Provider Participation Agreement entered into between the Division of MH/DD/SAS and the LME.

DRAFT

PROPOSED CONSOLIDATED EIGHT COUNTY LOCAL MANAGEMENT ENTITY POLICIES & PROCEDURES	Policy _____ Page ____ of ____
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CONTRACTORS COMPLIANCE WITH STATE AND FEDERAL FISCAL REQUIREMENTS

Approved: _____ Revised: _____
 Effective Date:
 Reference:

The LME will require that all contracts and provider network agreements include a statement of compliance with federal and state fiscal requirements.

Specifically, all contracts and provider network agreements will include provisions requiring the pursuit of all appropriate third and first party reimbursement for services provided, prior to the receipt of Division of Mental Health or Medicaid funds.

DRAFT

PROPOSED CONSOLIDATED EIGHT COUNTY LOCAL MANAGEMENT ENTITY	Policy_____
POLICIES & PROCEDURES	Page___of___

FUNDS MAXIMIZATION

Approved:_____ Revised:_____

Effective Date:

Reference:

The LME will attempt to secure all available resources for the provision of mental health, substance abuse, and developmental disability services, and for the improvement of the service delivery system. The LME will make every effort to maximize its State funding allocations through the Integrated Payment and Reporting System (IPRS), the Medicaid Management Information System (MMIS), and other reporting and billing systems.

DRAFT

PROPOSED CONSOLIDATED EIGHT COUNTY LOCAL MANAGEMENT ENTITY	Policy_____
POLICIES & PROCEDURES	Page___of___

INDEPENDENT SINGLE AUDIT

Approved:_____ Revised:_____

Effective Date:

Reference:

In accordance with the Local Government Budget and Fiscal Control Act, the Local Management Entity will engage a qualified accounting firm to conduct a single, independent Audit of the LME's financial records. The LME Board of Directors and the Local Government Commission will approve the Contract procuring these services.

The auditors will be required to report their findings to the LME Board in a public meeting; copies of the audit will be submitted to the NC Local Government Commission, designated grantees, and will be available to the Public. This audit will include an examination of internal controls, information systems and policies, and other relevant management activities. The auditors will be responsible for preparing and presenting an annual Management Letter to the LME Board. In conjunction with the Single Independent Audit, the auditor's will also comply with Division of Mental Health or Division of Medical Assistance requirements for compliance (ref: Performance Agreement or other pertinent programmatic Audit requirements).

DRAFT

PROPOSED CONSOLIDATED EIGHT COUNTY LOCAL MANAGEMENT ENTITY POLICIES & PROCEDURES	Policy _____ Page ___ of ___
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REAL PROPERTY ASSET MANAGEMENT

Approved: _____ Revised: _____
 Effective Date:
 Reference:

The LME will be responsible for safeguarding the value of and maintaining the appropriate use of all real property assets acquired through the use of public funds. The LME will maintain a current listing of all real property assets in its possession. Action by the Board of Directors will be required for the purchase, acquisition, sale, transfer, or other disposition of real property.

Attachment F.4.a.2

PROPERTY	AREA PROGRAM	COUNTY	CATEGORY	LOCATION	OWNER OF PROPERTY	HISTORICAL COST	LEASED BY	LEASE TERMS	SQUARE FOOT.	CURRENT USE / OCCUPANCY BY SQUARE FOOTAGE	FUTURE USE	Activity in the last 36 months?
Main Center -- Adult Services / Administration / DD	Blue Ridge	Buncombe	Offices	356 Biltmore Avenue Asheville, NC 28801	HSF	\$ 5,151,340.93	Blue Ridge	\$16,667.00 per month 7/01/99-06/30/00 w/ Option to renew for add'l 99 years.	42,838	MHDDSA Services for Buncombe residents	Combination of LME and other providers of MHDDSA Services	
Child & Family Building -- SAS / Detox / Child & Family Services	Blue Ridge	Buncombe	Offices	257-283 Biltmore Ave. Asheville, NC 28801	HSF	\$ 3,867,618.03	Blue Ridge	\$15,559.92 per month 7/01/99-06/30/00 w/ Option to renew for add'l 99 years.	44,693	MHDDSA Services for Buncombe residents	Combination of LME and other providers of MHDDSA Services	
Montview Group Home	Blue Ridge	Buncombe	Residential	Montview Drive Asheville, NC 28801	Blue Ridge	\$ 169,663.00	----	N/A	3,685	Vacant	NONE - currently for sale	Sold in December, 2002 -- proceeds returning back to Area Program Fund Balance
A Touch of Home Deaf-Blind Group Home	Blue Ridge	Buncombe	Residential	521 Clearview Asheville, NC	HSF	\$ 549,470.37	Liberty Corners Enterprises	\$1,400.00 per month 7/01/01-06/30/02	2,600	Deaf-Blind Group Home	Same	
Beverly Condominium	Blue Ridge	Buncombe	Residential	615 Biltmore Avenue Unit K-3 Asheville, NC 28803	HSF	\$ 34,544.50	Blue Ridge	\$325.00 per month Effective 11/01/94 w/ Option to renew for add'l 99 years.	830	Vacant	NONE - currently for sale	
Johnson Drive	Blue Ridge	Buncombe	Residential	40 Johnson Drive Asheville, NC	HSF	\$ 246,960.99	Liberty Corners Enterprises	\$1,400.00 per month 7/01/01-06/30/02	7,200	DD Group Home	Same	
Madison Center	Blue Ridge	Madison	Offices	493 Medical Park Drive Marshall, NC 28753	HSF	\$ 1,592,451.42	Blue Ridge	\$4,007.50 per month 7/01/99-06/30/00 w/ Option to renew for add'l 99 years.	8,850	MHDDSA Services for Madison residents	Combination of LME and other providers of MHDDSA Services	
Mary Benson	Blue Ridge	Buncombe	Residential	450 Monford Avenue Asheville, NC 28801	HSF	\$ 180,366.75	Blue Ridge	\$1,833.00 per month 7/01/99-06/30/00	6,400	SAS Home for pregnant	Same	

House								w/ Option to renew for add'l 99 years.		mothers and their children	
Mitchell Center	Blue Ridge	Mitchell	Offices	236 Hospital Drive Spruce Pine, NC 28777	HSF	\$ 583,283.67	Blue Ridge	\$2,864.17 per month 7/01/99-06/30/00 w/ Option to renew for add'l 99 years.	5,269	MHDDSA Services for Mitchell residents	Combination of LME and other providers of MHDDSA Services
Madison Day Services	Blue Ridge	Madison	Day Services	317 Kenpak Lane Marshall, NC 28753	HSF	\$ 581,697.66	Blue Ridge Area Foundation (dba Blue Ridge Homes)	\$2,000.00 per month 10/01/01-09/30/02	9,000	Vocational Center for DD clients	Same
Mitchell Day Services (old MOC)	Blue Ridge	Mitchell	Day Services	36 N. Mitchell Spruce Pine, NC 28705	HSF	\$ 150,000.00	Blue Ridge Area Foundation (dba Blue Ridge Homes)	\$1.00 per year 07/01/01-06/30/02 w/ Option to renew for add'l 29 years.	3,978	Vocational Center for DD clients	Same
Yancey Day Services (old MOC)	Blue Ridge	Yancey	Day Services	414 E. Main Street Burnsville, NC 28714	HSF	\$ 255,450.00	Blue Ridge Area Foundation (dba Blue Ridge Homes)	\$1.00 per year 07/01/01-06/30/02 w/ Option to renew for add'l 29 years.	4,212	Vocational Center for DD clients	Same
Moody Road Group Home	Blue Ridge	Buncombe	Residential	40 Moody Road Asheville, NC 28806	HSF	\$ 98,649.00	Halcyon, Inc.	\$1,200.00 per month 7/01/01-06/30/02	2,200	DD Group Home	Same
Mountainhouse	Blue Ridge	Buncombe	Day Services	225 E. Chestnut Street Asheville, NC 28801	HSF	\$ 273,715.80	Blue Ridge	\$1,667.00 per month 7/01/99-06/30/00 w/ Option to renew for add'l 99 years.	5,150	Psychosocial Rehabilitation & Supported employment	Same
Yancey Center	Blue Ridge	Yancey	Offices	306 Pensacola Road Burnsville, NC 28714	HSF	\$ 501,579.90	Blue Ridge	\$2,742.50 per month 7/01/99-06/30/00 w/ Option to renew for add'l 99 years.	5,485	MHDDSA Services for Yancey residents	Combination of LME and other providers of MHDDSA Services
Coxe Avenue	Blue Ridge	Buncombe	Offices	141 Coxe Avenue Asheville, NC 28801	HSF - Purchased land	\$ 120,000.00	Capital Lease Liberty Corners Enterprises	\$550.00 per month	15,000	Vocational Center & LCE Office	Same
Windemere Group Home	Blue Ridge	Buncombe	Residential	67 Lee's Creek Road Asheville, NC 28806	Buncombe County	N/A	Blue Ridge		4,500	Previously a C&F group home. Now Vacant.	Possible DD Group Home
EAN - Asheville	Blue Ridge	Buncombe	Offices	86 Victoria Road Asheville, NC 28801	The Bayshore	N/A	Blue Ridge	\$2,079.25 per month 10/01/00-09/30/02	1,775	EAN - Asheville	Same

					Company					Office		
EAN - Hendersonville	Blue Ridge	Henderson	Offices	714 Oakland Street Hendersonville, NC	B.B. Massagee III	N/A	Blue Ridge	\$350.00 per month Effective 03/01/97		EAN - Hendersonville Office	Same	
EAN - Sylva	Blue Ridge	Jackson	Offices	8 Colonial Square, Suite 200 Sylva, NC	R.D. Sinquefield	N/A	Blue Ridge	\$350.00 per month 05/01/99-04/30/01	365	EAN - Sylva Office	Same	
247 Biltmore Ave. Building	Blue Ridge	Buncombe	Offices	247 Biltmore Avenue Asheville, NC 28801	Rocafam, LLC	N/A	HSF	\$7,320.00 per month 03/01/98-02/28/03	10,890	Unoccupied	NONE - lease will end	
Facility Services -- Buxton Avenue	Blue Ridge	Buncombe	Offices	10 Buxton Avenue Asheville, NC	Sandra Martin	N/A	Blue Ridge	\$2,100.00 per month 06/01/02-05/31/05	9,600	Facility Maintenance, OSHA & Safety Offices	Same	
Self-Determination Project at United Way	Blue Ridge	Buncombe	Offices	50 S. French Broad Ave. Asheville, NC 28801	United Way of Asheville and Buncombe County	N/A	Blue Ridge	\$311.67 per month 06/01/02-06/30/03	440	DD Self-Determination Program	Same	
Metzger Building	Trend	Henderson	Offices	800 Fleming St. Hendersonville, NC 28791	Mt. Laurel		Trend			Adult Outpatient services / Administrative Offices	Combination of LME and other providers of MHDDSA Services	
Sixth Ave. West	Trend	Henderson	Offices	714 6th Ave. W. Hendersonville, NC 28739	Mt. Laurel		Trend			Base Operations for Psychosocial Rehab. Services	Same	
Country Cove Home	Trend	Henderson	Residential	28 Hillpark Dr. Hendersonville, NC 28739	Mt. Laurel		Trend			ICF / MR Group Home	Same	
Forest Bend Home	Trend	Transylvania	Residential	1 South Oak St. Brevard, NC 28712	Mt. Laurel		Trend			ICF / MR Group Home	Same	
Family Ties Building	Trend	Henderson	Offices	811 Oakland St. Hendersonville, NC 28791	Mt. Laurel		Trend			Specialized program for high risk children and families	Same	
Transylvania Co. Center	Trend	Transylvania	Offices	18 Hospital Dr. Brevard, NC 28712	Mt. Laurel		Trend			MHDDSA Services for Transylvania	Combination of LME and other providers of MHDDSA Services	

									residents		
Pinebrook Home	Trend	Henderson	Residential	301 Erkwood Dr. Hendersonville, NC 28739	Mt. Laurel	Trend			ICF / MR Group Home	Same	
Human Resources / Maintenance	Trend	Henderson	Offices	815 Oakland St. Hendersonville, NC 28791	Mt. Laurel	Trend			Maintenance and HR Departments	Same	
Mountain Enrichment	Trend	Henderson	Day Services	650 Tracy Grove Rd. Rt. 4 Box 100 Flat Rock, NC 28731	outside owner	Trend			Sheltered Workshop and Supported Employment for MR / DD	Same	
Child & Family Services	Trend	Henderson	Offices	513 North Justice St. Hendersonville, NC 28739	outside owner	Trend			Child and Family Services	Combination of LME and other providers of MHDDSA Services	
Rayside Homes	Trend	Henderson	Residential	617 and 619 Ray St. Hendersonville, NC 28739	Mt. Laurel	Trend			ICF / MR Group Home - duplex	Same	
MR/DD Offices	Trend	Henderson	Offices	218 West Allen St. Hendersonville, NC 28939	outside owner	Trend			DD Services	Combination of LME and other providers of MHDDSA Services	
CTSP Day Care	Trend	Henderson	Day Services	212 South Grove St. hendersonville, NC 28939	outside owner	Trend			Day care and After School Program	NONE - lease will end	
Community Housing Apts.	Trend	Henderson	Residential	735 & 737 Knollwood Dr. Hendersonville, NC 28791	Mental Health Association	Trend			Apartments for MI Adults	Same	
Hillpark Home	Trend	Henderson	Residential	230 Elson Ave. Hendersonville, NC 28739	Trend	----			DD Group Home	Same	
Rutherford Center	R-P	Rutherford	Offices	271 Callahan Koon Rd. Spindale, NC 28160	Rutherford County	R-P			MHDDSA Services for Rutherford residents	Combination of LME and other providers of MHDDSA Services	
Polk Center	R-P	Polk	Offices	330 Carolina Dr. Tryon, NC 28782	Polk County	R-P			MHDDSA Services for Polk residents	Combination of LME and other providers of MHDDSA Services	
Parkland Group Home	R-P	Rutherford	Residential	188 Parkland Dr. Forest City, NC 28043	Mental Health Association	R-P	\$1,225 per month		SPMI Group Home	Same	
North Hillside Apts.	R-P	Rutherford	Residential	146 North Hillside St. Rutherfordton, NC 28139	Mental Health Association	R-P	\$1,992 per month		Apartments for MI Adults	Same	

New View Apts.	R-P	Polk	Residential	15 Carson St. Tryon, NC 28782	ARC/HDS, Inc.		R-P	\$1,431 per month	Apartments for DD Adults	Same	
Bridgewood Group Home	R-P	Polk	Residential	7 Mimosa Inn Lane Lynn, NC	ARC/HDS, Inc.		R-P	\$1,167 per month	DD Group Home	Same	
The Oaks Group Home	R-P	Rutherford	Residential	701 West Main Dr. Forest City, NC 28043	ARC/HDS, Inc.		R-P	\$1,292 per month	DD Group Home	Same	
Tri-City Group Home	R-P	Rutherford	Residential	108 Bellvue St. Forest City, NC 28043	ARC/HDS, Inc.		R-P	\$1,208 per month	DD Group Home	Same	
The Kid's Place	R-P	Rutherford	Residential	157 Griffin Rd. Forest City, NC 28043	R-P		----		Child Group Home	Same	
Building on Davis St.	R-P	Rutherford	Offices	107 Davis St. Spindale, NC 28160	R-P		Youth Empowerment	\$200.00 per month			
Magnolia House	R-P	Rutherford	Day Services	475 West Main St. Forest City, NC 28043	R-P		----		Psychosocial Rehab program for Adult MI	Same	
Apartment for DD client	Blue Ridge	Buncombe	Residential	479 Enka Lake Road Candler, NC 28715	J.D. Jackson, Agent	N/A	Blue Ridge	\$435.00 per month 11/01/01-10/31/02	Apartments for DD Adult		
Apartment for DD client	Blue Ridge	Buncombe	Residential	41 Furman Avenue #7 Asheville, NC	Jean or Langdon Ammen	N/A	Blue Ridge	\$446.75 per month 01/11/02-01/10/03	Apartments for DD Adult		
Apartment for DD client	Blue Ridge	Buncombe	Residential	112 E La Mancha Dr. Asheville, NC 28805	REO La Mancha L. P.	N/A	Blue Ridge	\$485.00 per month 06/01/01-05/31/02	550	Apartments for DD Adult	

- * HSF = Blue Ridge Human Services Facilities
- * Blue Ridge = Blue Ridge Area Authority
- * EAN = Employee Assistance Network
- * R-P = Rutherford-Polk Area Authority
- * Trend = Trend Community Mental Health Services