

REQUEST FOR BOARD ACTION

**HENDERSON COUNTY
BOARD OF COMMISSIONERS**

MEETING DATE: March 4, 2013

SUBJECT: Western Highlands Area Authority – Quarterly Fiscal Monitoring Report (FMR) for the quarter ended December 31, 2012

PRESENTER: J. Carey McLelland, Finance Director

ATTACHMENTS: Fiscal Monitoring Report (FMR) – December 31, 2012

SUMMARY OF REQUEST:

N.C.G.S. 122C-117(c) requires the staff of the local area mental health authority to provide the County Finance Officer with the quarterly Fiscal Monitoring Report (FMR) within 30 days of the end of the quarter. The County Finance Officer is then required to provide the FMR to the Board of Commissioners at the next regularly scheduled meeting of the board. The attached FMR for Western Highlands Area Authority was received by the County Finance Officer on February 13, 2013.

BOARD ACTION REQUESTED:

Request that the Board consider approving the Fiscal Monitoring Report of Western Highlands Area Authority for the quarter ended December 31, 2012.

Suggested Motion:

I move that the Board of Commissioners approve the Western Highlands Area Authority Fiscal Monitoring Report for the quarter ended December 31, 2012.



Western Highlands Network

A LOCAL MANAGEMENT ENTITY

Serving Buncombe, Henderson, Madison, Mitchell, Polk,
Rutherford, Transylvania, and Yancey Counties

Rec'd
2/13/13

February 11, 2013

Carey McLelland
Finance Director
Henderson County
113 N Main Street
Hendersonville, NC 28792

Dear Mr. McLelland:

Enclosed please find the Western Highlands Area Authority's Fiscal Monitoring Report for the 2013 fiscal year 2nd quarter, ending December 31, 2012. State Law requires the LME to provide the quarterly FMR to the County Finance Officer. This report is to be provided to the Board of County Commissioners at the next regularly scheduled meeting of the Board. I have cited Legislative Bill H2077 for easy reference:


SECTION 3(a) G.S. 122C-117(c) reads as rewritten:

"(c) Within 30 days of the end of each quarter of the fiscal year, the area director and finance officer of the area authority shall provide the quarterly report of the area authority to the county finance officer. The county finance officer shall provide the quarterly report to the board of county commissioners at the next regularly scheduled meeting of the board. The clerk of the board of commissioners shall notify the area director and the county finance officer if the quarterly report required by this subsection has not been submitted within the required period of time. This information shall be presented in a format prescribed by the county. At least twice a year, this information shall be presented in person and shall be read into the minutes of the meeting at which it is presented. In addition, the area director or finance officer of the area authority shall provide to the board of county commissioners ad hoc reports as requested by the board of county commissioners."

Please don't hesitate to call if you have any questions.

Cordially,

Western Highlands Area Authority



Sharon K. Lentz, CPA
Chief Financial Officer

Enclosure

Quarterly Fiscal Monitoring Report - DMHDDSAS

LME / MCO NAME:

Western Highlands Area Authority

FOR THE PERIOD ENDING:

12/31/2012

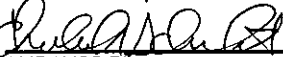
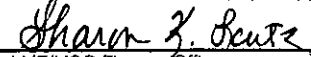
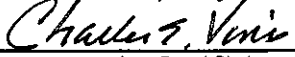
of month in the fiscal year (July = 1, August = 2, . . . , June = 12) =====>

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1. REPORT OF BUDGET VS. ACTUAL

ITEM	Basis of Accounting:		CASH				ANNUALIZED PERCENTAGE **	
	(check one)	Accrual	(1)	(2)	(3)	(4)		(5)
			BUDGET	ACTUAL	BUDGET	ACTUAL YR-TO-DATE		BALANCE (Col. 3-4)
			PRIOR YEAR		CURRENT YEAR			
			2011-2012		2012			
REVENUE								
Service Fees from LME-Delivered Services							#DIV/0!	
Medicaid Pass Thru			6,720,000	3,712,082	500,000	118,078	381,922	47.23%
Interest Earned			32,500	11,158	20,000	5,853	14,147	58.53%
Rental Income			-	-	-	-	-	#DIV/0!
Budgeted Fund Balance * (Detail in Item 4, below)			6,168,350		400,000		400,000	0.00%
Other Local			133,600	182,779	-	204,488	(204,488)	#DIV/0!
Total Local Funds			13,054,450	3,906,019	920,000	328,419	591,581	71.40%
County Appropriations (by county, includes ABC Funds):								
Buncombe County			600,000	600,000	600,000	600,000	-	200.00%
Henderson County			528,612	528,612	528,612	235,806	292,806	89.22%
Madison County			30,000	30,000	30,000	-	30,000	0.00%
Mitchell County			18,000	18,000	18,000	-	18,000	0.00%
Polk County			74,991	74,991	74,991	74,991	-	200.00%
Rutherford County			102,168	102,168	102,168	102,168	-	200.00%
Transylvania County			99,261	99,261	99,261	99,261	-	200.00%
Yancey County			26,000	26,000	26,000	13,000	13,000	100.00%
Total County Funds			1,479,032	1,479,032	1,479,032	1,125,226	353,806	152.16%
LME Systems Admin. Funds (Cost Model)			3,023,676	3,023,676	-	-	-	#DIV/0!
DMH/DD/SAS Administrative Funds (% basis)			1,863,501	1,863,501	3,610,318	1,667,721	1,942,597	92.39%
DMH/DD/SAS Risk Reserve Funds (% basis)			310,583	-	601,720	-	601,720	0.00%
DMH/DD/SAS Services Funding			30,543,579	29,158,314	32,549,735	14,380,373	18,169,362	88.36%
DMA Capitation Funding			65,355,719	66,417,239	130,711,437	68,356,377	62,355,060	104.59%
DMA Risk Reserve Funding			1,333,790	1,355,454	2,667,580	1,395,028	1,272,552	104.59%
All Other State/Federal Funds			265,000	231,352	265,000	114,616	150,384	86.50%
Total State and Federal Funds			102,695,848	102,049,536	170,405,790	85,914,115	84,491,675	100.83%
TOTAL REVENUE			117,229,330	107,434,587	172,804,822	87,367,761	85,437,062	101.12%
EXPENDITURES:								
System Management/Administration/Care Coordination			15,346,899	10,995,897	23,656,767	8,957,562	14,699,205	75.73%
LME Provided Services								#DIV/0!
Provider Payments			97,035,388	99,222,603	147,669,023	75,858,251	71,810,772	102.74%
Merger Expenses								#DIV/0!
MCO Start-Up Expenses			3,238,782	1,837,059	-	-	-	#DIV/0!
All Other			1,608,261	1,512,389	1,479,032	1,109,308	369,724	150.00%
TOTAL EXPENDITURES			117,229,330	113,567,948	172,804,822	85,925,121	86,879,701	99.45%
CHANGE IN CASH BALANCE				(6,133,361)		1,442,640		
Beginning Unrestricted Fund Balance				6,125,241		2,020,710		
Balance in DMH/DD/SAS Risk Reserve				-		-		
Balance in DMA Risk Reserve				1,355,698		2,751,290		
Current Estimated Unrestricted Fund Balance and percent of budgeted expenditures			1.72%	2,020,710	1.83%	3,167,220		
2. CURRENT CASH POSITION			(1)	(2)	(3)	(4)	(5)	Allowance for Uncollectible Receivables
			30 DAYS	60 DAYS	90 DAYS	OVER 90 DAYS	TOTAL	
Accounts Payable (Accrual Method)			5,638,497	11,953,880	2,062,918	-	\$ 19,655,294	
Account Receivable (Accrual Method)			2,583,126	3,553,385	2,500	533,365	\$ 6,652,376	\$ 6,636,487
Current Cash in Bank				25,213,095				
3. SERVICE EXCEPTIONS (Provided Based on System Capability)								
Services authorized but not billed								
4. DETAIL ON BUDGETED FUND BALANCE								
				Budgeted	Year-to-Date	Balance	%	
Payments to Providers				300,000	14,389	285,611	9.59%	
MCO Start-up Expense						0	#DIV/0!	
LME Merger Expense							#DIV/0!	
Other (List): Consulting				100,000	100,000	0	200.00%	

* We certify (a) this report to contain accurate and complete information, (b) explanations are provided for any expenditure item with an annualized expenditure rate greater than 110% and for any revenue item with an annualized receipt rate of less than 90%, and (c) a copy of this report has been provided to each county manager in the catchment area.

 1-31-2013
  1-31-13
  2/8/2013
 LME / MCO Director Date LME/MCO Finance Officer Date Area Board Chair Date

cc: County Manager for each county within the catchment area.

Division of Mental Health, Developmental Disabilities & Substance Abuse Services

Quarterly Fiscal Monitoring Report - Explanation of Revenue and Expenditure Variances

enter LME name Western Highlands Area Authority Local Management Entity

for the period ending: December 31, 2012

ITEM	Explanation
Revenues	
<u>Medicaid Pass Thru:</u>	Actual cash revenues have not met projections. Providers have 365 days to bill Medicaid. The budget will be adjusted accordingly.
<u>Interest Earned:</u>	Actual interest earned has not met projections. We will monitor this budget and adjust accordingly.
<u>County Appropriations:</u>	We have not received Maintenance of Effort funds from Madison County and Mitchell County and have received 44% from Henderson County as of December 31, 2012.
<u>DMH/DD/SAS Risk Reserve Funds</u> (% basis)	DMH will not be funding risk reserve. Budget Amendment #1 adopted by the Board removed this item.
<u>DMH/DD/SAS Services Funding:</u>	SFY13 Final Continuation Allocation included WHN's portion of the SFY12 \$20M statewide budget cut continued for another year as a non-recurring reduction. Budget Amendment #1 adjusted this budget.
<u>All Other State/Federal Funds:</u>	Represents the Shelter Plus Care contract directly with the Federal govt. The funding billed can vary given the number of participants in the program. Our budgeted numbers represent the maximum grant.
Expenditures	
<u>All Other:</u>	These expenditures are county funds received in full from Buncombe County, Polk County, Rutherford County, Transylvania County and Yancey County and paid out to Provider Agencies in the first and second quarter thus creating this variance in the second quarter.
<u>Fund Balance - Other Consulting:</u>	This represents the consultant expenses for Medicaid Waiver corrective action implementation. \$100,000 was approved from Fund Balance to pay a portion of the fee.